

MARRIOTT VACATIONS WORLDWIDE Corp
Form DEF 14A
April 21, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

MARRIOTT VACATIONS WORLDWIDE CORPORATION

(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)(4) and 0-11.

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

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

(3) Per unit price or other underlying value of 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 transaction:

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- 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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Marriott Vacations Worldwide Corporation

6649 Westwood Boulevard

Orlando, Florida 32821

April 21, 2015

Dear Marriott Vacations Worldwide Shareholders:

We are pleased to invite you to attend the 2015 Annual Meeting of Shareholders of Marriott Vacations Worldwide Corporation to be held at 9:00 a.m., Eastern Time, on Friday, June 5, 2015 at The Ritz-Carlton Orlando, Grande Lakes, 4012 Central Florida Parkway, Orlando, Florida, 32837.

The following Notice of Annual Meeting of Shareholders and Proxy Statement includes information about the matters to be acted upon by shareholders at the Annual Meeting. We hope that you will exercise your right to vote, either by attending the Annual Meeting and voting in person or by voting through other acceptable means as promptly as possible. You may vote through the Internet, by telephone or by mailing your completed proxy card (or voting instruction form, if you hold your shares through a broker).

Important Notice Regarding the Availability of Proxy Materials

for the 2015 Annual Meeting of Shareholders:

We are mailing many of our shareholders a Notice Regarding the Availability of Proxy Materials rather than a full set of our proxy materials. The Notice contains instructions on how to access our proxy materials on the Internet, as well as instructions on how to obtain a paper copy of the full set of proxy materials if a shareholder so desires. This process is more environmentally friendly and reduces our costs to print and distribute these materials to shareholders. All shareholders who do not receive the Notice Regarding the Availability of Proxy Materials will receive a full set of our proxy materials.

We appreciate your continued support and interest in Marriott Vacations Worldwide.

Sincerely,

William J. Shaw

Chairman of the Board

Stephen P. Weisz

President and Chief Executive Officer

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Marriott Vacations Worldwide Corporation

6649 Westwood Boulevard

Orlando, Florida 32821

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD FRIDAY, JUNE 5, 2015

April 21, 2015

The 2015 Annual Meeting of Shareholders of Marriott Vacations Worldwide Corporation will be held at 9:00 a.m., Eastern Time, on Friday, June 5, 2015 at The Ritz-Carlton Orlando, Grande Lakes, 4012 Central Florida Parkway, Orlando, Florida, 32837. At the meeting, shareholders will act on the following matters:

1. Election of the two director nominees named in the Proxy Statement;
2. Approval of the Marriott Vacations Worldwide Corporation Employee Stock Purchase Plan, including the issuance of up to 500,000 shares thereunder;
3. Ratification of the appointment of Ernst & Young LLP as Marriott Vacations Worldwide's independent registered public accounting firm for its 2015 fiscal year;
4. An advisory resolution to approve executive compensation; and
5. Any other matters that may properly be presented at the meeting.

Only shareholders of Marriott Vacations Worldwide at the close of business on April 9, 2015, the record date, are entitled to notice of, and to vote at, the Annual Meeting. For instructions on voting, please refer to the notice you received in the mail or, if you requested a hard copy of the Proxy Statement, your enclosed proxy card.

INTERNET AVAILABILITY

We are taking advantage of the Securities and Exchange Commission rules that allow companies to furnish proxy materials to their shareholders through the Internet. We believe these rules allow us to provide you with the information you need while lowering the costs of delivery and reducing the environmental impact of the Annual

Meeting. On or about April 21, 2015, we mailed to shareholders as of the record date a Notice Regarding the Availability of Proxy Materials. If you received a Notice by mail, you will not receive printed copies of the proxy materials, unless you specifically request them. Instead, the Notice instructs you on how to access and review all of the important information contained in the Proxy Statement and in our 2014 Annual Report, as well as how to submit your proxy over the Internet. If you received the Notice and would still like to receive a printed copy of our proxy materials, you may request a printed copy of the proxy materials by following the instructions in the Notice.

By order of the Board of Directors,

James H Hunter, IV

Executive Vice President and General

Counsel and Secretary

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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 Shareholders

Date and Time	June 5, 2015, 9:00 a.m., Eastern Time
Place	The Ritz-Carlton Orlando, Grande Lakes 4012 Central Florida Parkway Orlando, Florida, 32837
Record Date	April 9, 2015

Proposals to be Voted on and Recommendations

Proposal	Our Board's Vote Recommendation
Ø Election of Directors (page 6)	FOR each of the two nominees
Ø Approval of the Marriott Vacations Worldwide Corporation Employee Stock Purchase Plan (page 7)	FOR
Ø Ratification of Appointment of Independent Registered Public Accounting Firm (page 10)	FOR
Ø Advisory Resolution to Approve Executive Compensation (page 11)	FOR

Highlights of our Corporate Governance Practices

Ø A majority of our Board members, the Chairman of our Board of Directors, and all members of our Audit Committee, Compensation Policy Committee and Nominating and Corporate Governance Committee are independent.

Ø We have a Lead Independent Director who presides at executive sessions of our non-management directors and independent directors in the absence of the Chairman and has other responsibilities.

Ø All shareholders may vote on the election of all directors who are nominated for election.

Ø Only one member of our Board, Mr. Weisz, is a current employee of the Company.

Ø Our Corporate Governance Principles limit the number of boards of publicly traded companies on which our directors may serve, and none of our directors serve on the boards of more than three such companies in addition to the Company.

Ø The Company does not have a rights plan, or poison pill.

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Company Performance in 2014

During 2014, we celebrated our 30th year in the vacation ownership industry. Our company's results were strong in the year ended January 2, 2015:

Ø Full year 2014 Adjusted EBITDA (as defined below) totaled \$200 million, an increase of \$25 million, or 14 percent, year-over-year.

Ø Full year 2014 net income totaled \$81 million, or \$2.33 diluted earnings per share, compared to reported net income of \$80 million in 2013, or \$2.18 diluted earnings per share.

Ø In 2014, company development margin, consisting of revenues from the sale of vacation ownership products less the cost of vacation ownership products and marketing and sales costs, divided by revenues from the sale of vacation ownership products, was 20.9 percent compared to 21.2 percent in 2013.

Ø We returned over \$210 million of capital to our shareholders in 2014.

Ø We disposed of more than \$80 million of excess land and inventory in 2014.

Adjusted EBITDA is a financial measure that is not prescribed or authorized by United States generally accepted accounting principles (GAAP). Please refer to Appendix B for a reconciliation of Adjusted EBITDA to net income, which is the most directly comparable GAAP financial measure, as well as our reasons for presenting this measure.

Executive Compensation in 2014

Our executive compensation programs contain features that are intended to embody our compensation principles and promote strong executive compensation corporate governance. Performance-based compensation is a significant

component of total pay opportunity for our executive officers. The chart below reflects the percentage of each named executive officer's total compensation for 2014 that was performance-based:

Under the annual bonus plan in which our executive officers participated in 2014, an aggregate of 60 percent of the payout was based on performance with respect to Adjusted EBITDA, net income and development margin, and resulted in a payout that was at 139 percent of the target amount but below the maximum amount for Adjusted EBITDA, 200 percent of the target amount and at the maximum amount for net income, and 145 percent of the target amount but below the maximum amount for development margin.

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Marriott Vacations Worldwide Corporation

6649 Westwood Boulevard

Orlando, Florida 32821

PROXY STATEMENT

The Board of Directors (the **Board**) of Marriott Vacations Worldwide Corporation (**we**, **us**, **Marriott Vacations Worldwide** or the **Company**) is soliciting shareholders' proxies in connection with the 2015 Annual Meeting of Shareholders of the Company, and at any adjournment or postponement thereof (the **Annual Meeting**). The mailing to shareholders of the Notice Regarding the Availability of Proxy Materials took place on April 21, 2015.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 5, 2015

The Notice of Annual Meeting and Proxy Statement and our

2014 annual report to shareholders are available at www.proxyvote.com.

QUESTIONS AND ANSWERS ABOUT THE MEETING

Why am I receiving these materials?

Marriott Vacations Worldwide has made these materials available to you on the Internet or has delivered printed versions of these materials to you by mail in connection with the solicitation of proxies on behalf of the Board of Directors for use at our Annual Meeting. This Proxy Statement describes the matters on which you, as a shareholder, are entitled to vote. It also gives you information on these matters so that you can make an informed decision.

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of printed proxy materials?

The Securities and Exchange Commission (the **SEC**) permits companies to furnish proxy materials to shareholders by providing access to these documents over the Internet instead of mailing a printed copy. Accordingly, we mailed a Notice Regarding the Availability of Proxy Materials to some shareholders. These shareholders have the ability to

access, view and print the proxy materials on a website referred to in the Notice Regarding the Availability of Proxy Materials and request a printed set of proxy materials.

Can I get electronic access to the proxy materials if I received printed materials?

If you received a printed copy of our proxy materials, you may choose to receive future proxy materials by email. Choosing to receive your future proxy materials by email will lower our costs of delivery and will reduce the environmental impact of our Annual Meeting. If you choose to receive our future proxy materials by email, you will receive an email next year with instructions containing a link to view those proxy materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it or for so long as the email address provided by you is valid.

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What items will be voted on at the Annual Meeting?

Shareholders will vote on the following items at the Annual Meeting, if each is properly presented at the meeting:

1. Election of the two director nominees named in this Proxy Statement;
2. Approval of the Marriott Vacations Worldwide Corporation Employee Stock Purchase Plan, including the issuance of up to 500,000 shares thereunder;
3. Ratification of the appointment of Ernst & Young LLP (Ernst & Young) as the Company s independent registered public accounting firm for its 2015 fiscal year;
4. An advisory resolution to approve executive compensation; and
5. Any other matters that may properly be presented at the meeting.

In addition, management will respond to questions from shareholders.

What are the Board s voting recommendations?

The Board s recommendation is set forth together with the description of each Item in this Proxy Statement. In summary, the Board recommends a vote **FOR** Items 1, 2, 3 and 4.

Who is entitled to vote?

Only shareholders of record who owned the Company s common stock at the close of business on April 9, 2015 are entitled to vote. Each holder of common stock is entitled to one vote per share. There were 31,731,588 shares of common stock outstanding and entitled to vote on April 9, 2015.

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

A record holder holds shares directly in his or her own name with the Company s transfer agent. Shares held in street name refer to shares that are held in the name of a bank or broker on a person s behalf. Many shareholders hold their shares in street name. For such shares, the bank or broker is considered the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization how to vote the shares held in your account.

How do I vote?

If you received a Notice Regarding the Availability of Proxy Materials in the mail, you can either vote by Internet (www.proxyvote.com) or in person at the Annual Meeting. You may also vote by mail if you request a paper copy of the materials. Voting instructions are provided on the Notice Regarding the Availability of Proxy Materials.

Record holders that received a copy of this Proxy Statement and accompanying proxy card in the mail can vote by filling out the proxy card and returning it in the postage paid return envelope. Record holders that receive these materials in the mail may also vote in person at the Annual Meeting, by telephone (800-690-6903) or by Internet (www.proxyvote.com). Voting instructions are provided on the proxy card.

If you hold shares in street name, you must vote by giving instructions to your bank or broker. You should follow the voting instructions on the form that you receive from your bank or broker.

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How will my proxy be voted?

Your proxy card, when properly signed and returned to us, or processed by telephone or via the Internet, and not revoked, will be voted in accordance with your instructions. We are not aware of any other matter that may be properly presented other than those described above. If any other matter is properly presented, the persons named in the enclosed proxy card will have discretion to vote in their best judgment.

If you hold shares in street name, your bank or broker is permitted to use its own discretion and vote your shares on certain routine matters (such as Item 3) even if you have not provided voting instructions. Your bank or broker is not permitted to use its discretion and vote your shares on non-routine matters (such as Items 1, 2 and 4) if it has not received instructions from you as to how to vote the shares. *Therefore, we urge you to give voting instructions to your broker on all four voting items.* Shares that are not permitted to be voted by your broker with respect to any non-routine matter are called broker non-votes. Broker non-votes are not considered votes for or against, or entitled to vote with respect to, any of the proposals to be voted on at the Annual Meeting and will have no direct impact on any such proposal.

What if I don't mark the boxes on my proxy?

Unless you give other instructions on your proxy card, or unless you give other instructions when you cast your vote by telephone or the Internet, the persons named as proxies will vote in accordance with the recommendations of the Board of Directors.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority in voting power of the outstanding shares of common stock entitled to vote at the Annual Meeting will constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

How many votes are needed to approve an item?

Directors will be elected by a plurality of all the votes cast at the Annual Meeting, either in person or represented by a properly completed or authorized proxy. This means that the two nominees who receive the highest number of FOR votes cast will be elected as directors. Shareholders cannot cumulate votes in the election of directors.

The affirmative vote of shares representing a majority in voting power of the votes cast, present in person or represented by proxy and entitled to vote at the meeting is necessary for approval of Items 2, 3 and 4. Proxy cards marked as abstentions on Items 2, 3 and 4 will not be counted as votes cast but will count as present and entitled to vote and therefore will have the effect of a negative vote.

Who can attend the Annual Meeting?

Only shareholders as of the record date, their proxy holders and our invited guests may attend the Annual Meeting.

What do I need to bring to the Annual Meeting?

Beneficial owners whose ownership is registered under another party's name and who plan to attend the Annual Meeting in person should obtain an admission ticket in advance by sending written requests, along with proof of

beneficial ownership, such as a bank or brokerage firm account statement, to: Jeffrey A. Hansen, Vice President Investor Relations, Marriott Vacations Worldwide Corporation, 6649 Westwood Boulevard, Orlando,

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Florida, 32821. Beneficial owners who do not present valid admission tickets at the registration counter at the Annual Meeting will be admitted at the Company's sole discretion and may be required to verify share ownership, which may be established by providing a bank or brokerage firm account statement and photo identification, at the registration counter at the Annual Meeting. Shareholders as of the record date or their proxy holders who plan to attend the Annual Meeting may also be asked to present photo identification at the registration counter at the Annual Meeting to gain admittance to the Annual Meeting.

Can I go to the Annual Meeting if I vote by proxy?

Yes. Attending the Annual Meeting does not revoke your proxy.

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

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

Returning a later-dated signed proxy card;

Delivering a written notice of revocation to Marriott Vacations Worldwide Corporation, 6649 Westwood Boulevard, Orlando, Florida, 32821, Attention: Corporate Secretary;

Voting by telephone or the Internet until 11:59 p.m., Eastern Time, on June 4, 2015;

Voting in person at the meeting.

If your shares are held through a broker or other nominee, you will need to contact that institution if you wish to change your voting instructions.

PROPOSALS TO BE VOTED ON

Item 1 Election of Directors

The Board consists of eight members and is divided into three classes, each having three-year terms that expire in successive years. The term of the Class III directors expires at the 2015 Annual Meeting of Shareholders. The Board proposes that Melquiades R. Martinez and Stephen P. Weisz, each of whom is currently serving as a Class III director, be re-elected to Class III for a new term of three years expiring at the 2018 Annual Meeting of Shareholders and until their successors are duly elected and qualified. Mr. Martinez and Mr. Weisz joined our Board at the time of our spin-off (the Spin-Off) from Marriott International, Inc. (Marriott International) in November 2011. The current Class I and Class II directors have been elected by the Company's public shareholders. Proxies cannot be voted for more than the number of nominees proposed for re-election.

Each of the nominees has consented to be named as a nominee and to serve as a director if elected. If either of them should become unavailable to serve as a director (which is not now expected), the Board may designate a substitute

nominee. In that case, the persons named as proxies will vote for the substitute nominee designated by the Board.

Information about the nominees, as well as the current Class I and Class II directors, along with their present positions, their principal occupations and directorships held with other publicly traded companies during the past five years, their ages and the year they were first elected as a director of the Company, are set forth below beginning on page 13.

Our Board of Directors recommends that you vote FOR each of the two director nominees.

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Item 2 Approval of the Marriott Vacations Worldwide Corporation Employee Stock Purchase Plan

Overview

Our Board has unanimously approved the adoption of the Marriott Vacations Worldwide Corporation Employee Stock Purchase Plan (the ESPP) for the benefit of eligible employees of the Company and its designated affiliates. The adoption of the ESPP by our Board is subject to the approval of our shareholders. In this proposal, we are asking our shareholders to approve the ESPP at the Annual Meeting.

Our Board believes that the Company's interests are best advanced by aligning shareholder and employee interests. The ESPP is intended to provide the Company's eligible employees with an opportunity to participate in the Company's success by permitting them to acquire an ownership interest in the Company through periodic payroll deductions that will be applied towards the purchase of shares of our common stock at a discount from the market price. The ESPP provides for the sale of up to a maximum of 500,000 shares to plan participants. This 500,000 shares represents potential dilution of approximately 1.6 percent as of April 1, 2015 (potential dilution for this purpose is determined by dividing the 500,000 share pool by the total number of shares of common stock outstanding as of April 1, 2015). The Board believes that this is a reasonable amount of potential dilution and generally in line with that of our peer companies. Based upon the typical levels of participation in this type of plan at publicly traded companies generally and taking into account that this is the first time we are offering this type of plan, we expect the 500,000 share pool will be sufficient to cover purchases under the plan for at least the next five years.

The following description of the ESPP is a summary of its principal provisions and is qualified in its entirety by reference to the plan document, a copy of which is appended to this proxy statement as Appendix A. To the extent that there is a conflict between this summary and the actual terms of the ESPP, the terms of the ESPP will govern. References to common stock below mean the common stock, par value \$0.01 per share, of the Company.

Description of the Employee Stock Purchase Plan

Purpose

The purpose of the ESPP is to provide eligible employees of the Company and its designated affiliates with an opportunity to become owners of the Company through the purchase of shares of common stock of the Company. The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code (the Code).

Effective Date, Term

The ESPP will become effective on July 1, 2015, subject to the approval of shareholders at the Annual Meeting; provided, however, that the Committee (as defined below) may permit eligible employees to enroll in the ESPP prior to July 1, 2015 so that the first offering period may commence on such date. The ESPP will terminate upon the earlier of (i) the date on which all shares available for issuance have been sold pursuant to purchase rights exercised under the ESPP or (ii) the date determined by the Board in its sole discretion.

Eligibility

Employees of the Company and its designated affiliates who are employed and enrolled in the ESPP as of the first day of an offering period are generally eligible to participate in the ESPP, although the ESPP administrator may determine, in advance of any offering period, that the following groups of otherwise eligible employees will not be

eligible to participate in the ESPP: (i) employees whose customary employment is twenty hours (or such lesser number as determined by the administrator) of service or less per week; (ii) employees who

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have been employed for less than six months (or such lesser time period as determined by the administrator); (iii) employees whose customary employment is five or fewer months (or such lesser period as determined by the administrator) in any calendar year; and/or (iv) employees who are officers within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934 (the Exchange Act). Notwithstanding the foregoing, employees who are citizens or residents of a foreign jurisdiction may not be eligible to participate in the ESPP for a given offering period if the grant of a purchase right under the ESPP is prohibited under the laws of such foreign jurisdiction or compliance with the laws of the foreign jurisdiction would cause the ESPP or offering to violate the requirements of Code Section 423.

As of April 1, 2015, approximately 8,500 employees would have been eligible to participate in the ESPP.

Administration, Amendment, Suspension and Termination

The ESPP will be administered by a committee of the Board, as designated by the Board (the Committee), which may include a committee comprised of the Chairperson of the Compensation Policy Committee and the Chief Executive Officer of the Company. Subject to the terms of the ESPP, the Committee has the sole and discretionary authority to administer the ESPP, including the authority to: (a) construe, interpret, and apply the provisions of the ESPP, and, in connection therewith, make factual determinations; (b) establish the policies, interpretations, practices, and procedures of the ESPP (provided that they are compliant with Code Section 423); (c) prescribe and require the use of appropriate forms (including electronic forms); (d) prepare all reports, notices, and any other documents relating to the ESPP which may be required by law; (e) hire all persons providing services to the ESPP; and (f) delegate to one or more individuals such duties and functions relating to the operation and administration of the ESPP as the Committee so determines, except to the extent prohibited by applicable law. Decisions of the Committee are final and binding on all parties having an interest in the ESPP. The Board or the Committee may adopt rules or procedures relating to the operation and administration of the ESPP to accommodate specific requirements of the laws and procedures of a foreign jurisdiction; provided, however, to the extent any such rules or procedures would not be in accordance with the provisions of Code Section 423, the individuals affected by such rules or procedures will not be permitted to participate in the ESPP.

The Board or the Committee may alter, amend, or suspend the ESPP at any time. If the ESPP is suspended, then all outstanding purchase rights will terminate and any accumulated payroll deductions will be refunded to each participant. To the extent necessary to comply with Code Section 423 (or any successor rule or provision or any other applicable law, regulation or stock exchange rule), certain material amendments must be approved by the Company's shareholders).

Number of Shares of Common Stock Available under the ESPP

Subject to adjustment as provided below, a maximum of 500,000 shares will be available for issuance pursuant to the ESPP. Shares issued under the ESPP may be authorized but unissued or reacquired shares and/or shares purchased on the open market, as determined by the Committee. In the event there is any change in the shares of the Company by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding common stock as a class without the Company's receipt of consideration, the Committee will make equitable adjustments, in order to prevent the dilution or enlargement of benefits under the ESPP, to the following: (i) the maximum number and class of securities issuable in the aggregate under the ESPP; (ii) the maximum number and class of securities purchasable per participant and in the aggregate on any one purchase date; and (iii) the number and class of securities and the price per share in effect under each outstanding purchase right.

Enrollment and Contributions

Eligible employees voluntarily elect whether or not to enroll in the ESPP. Unless and until the Committee determines otherwise, there will be four three-month offering periods each calendar year, with the first offering

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period commencing on July 4, 2015. An employee may cancel his or her enrollment at any time, subject to the ESPP rules.

To participate in the ESPP, an eligible employee must complete the enrollment forms as prescribed by the Committee or its designee and follow any other procedures for enrollment as may be established by the Committee from time to time. Unless otherwise determined by the Committee, once an eligible employee enrolls in an offering period, his or her enrollment will remain in effect through subsequent offering periods unless the eligible employee voluntarily ceases payroll deductions, withdraws from an offering period or ceases to be an eligible employee.

Employees contribute to the ESPP through payroll deductions (or, with respect to eligible employees in a foreign jurisdiction, in such other form as the Committee may designate). Participating employees may authorize payroll deductions of either a flat dollar amount per pay period or any multiple of one percent of the employee's eligible compensation up to a maximum established by the Committee. After an offering period has begun, an employee may voluntarily cease contributions to the ESPP or withdraw entirely from the ESPP but may not re-start payroll deductions for the remainder of the offering period. Cessation of contributions or withdrawal from the ESPP during an offering period will not affect an eligible employee's ability to participate in a subsequent offering period, provided that such eligible employee must re-enroll in the ESPP in order to participate in any subsequent offering period.

Purchase of Shares

On the last day of each offering period, each participating employee's payroll deductions are used to purchase shares for the employee. The purchase price for the shares so purchased will be as established by the Committee prior to the beginning of the offering period and in no case will be less than 95 percent of the fair market value of the Company's common stock on the last business day of the offering period, which for purposes of the ESPP is the average of the high and low selling prices on such date. Prior to an offering period, the Committee may prescribe a maximum number of shares purchasable by an individual participant and/or in the aggregate under the ESPP. Any excess payroll deductions not applied to the purchase of shares will be refunded to each participant; provided that any amount representing a fractional share will be carried forward and applied to the next offering period. As of April 1, 2015, the fair market value of our common stock was \$80.62 per share. During any single year, no employee may purchase more than \$25,000 of shares under the ESPP (based on market value on the applicable enrollment date or dates).

Termination of Participation

Participation in the ESPP will automatically terminate when a participating employee's employment with the Company and its designated affiliates ceases for any reason, the employee withdraws from the ESPP (provided that the employee, to the extent an eligible employee as of the next offering period, may re-enroll in the ESPP in accordance with the terms thereof), or the ESPP is terminated or amended such that the employee no longer is eligible to participate.

Change in Control

In the event of a change in control (as defined in the ESPP), the Board may provide for any of, or a combination of any of, the following: (a) each purchase right will be assumed or an equivalent purchase right substituted by the successor entity or parent or subsidiary of such successor entity; (b) a date selected by the Board on or before the date of consummation of such change in control will be treated as a purchase date and all outstanding purchase rights will be exercised on such date; (c) all outstanding purchase rights will terminate and the accumulated payroll deductions will be refunded to each participant upon or immediately prior to the change in control; or (d) outstanding purchase rights will continue unchanged.

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New Plan Benefits

The actual number of shares that may be purchased by any individual under the ESPP is not currently determinable because the number is determined, in part, based on future contribution elections of individual participants and the purchase price of the shares, which is not determined until the last day of each offering period.

Certain U.S. Federal Income Tax Consequences

The rules concerning the federal income tax consequences with respect to the purchase of shares under the ESPP are quite technical. Moreover, the applicable statutory provisions are subject to change, as are their interpretations and applications, which may vary in individual circumstances. Therefore, the following is designed to provide a general understanding of the U.S. federal income tax consequences with respect to such purchases. In addition, the following discussion does not set forth any gift, estate, social security or state or local tax consequences that may be applicable and is limited to the U.S. federal income tax consequences to individuals who are citizens or residents of the United States, other than those individuals who are taxed on a residence basis in a foreign country.

The ESPP, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Section 423 of the Code. Under these provisions, no income generally will be taxable to a participant until the shares purchased under the ESPP are sold or otherwise disposed of. Upon sale or other disposition of the shares, the participant will generally be subject to tax in an amount that depends upon how long the shares have been held by the participant. If the shares are sold or otherwise disposed of more than two years after the first day of the applicable offering period in which such shares were acquired and more than one year after the applicable date of purchase, the participant will recognize ordinary income equal to the lesser of (1) the excess of the fair market value of the shares at the time of such sale or disposition over the purchase price, or (2) an amount equal to 15 percent (or such lesser discount as the Committee may establish) of the fair market value of the shares as of the first day of the applicable offering period in which such shares were acquired. Any additional gain will be treated as long-term capital gain. If the shares are sold or otherwise disposed of before the expiration of the aforementioned periods (a disqualifying disposition), the participant will recognize ordinary income equal to the excess of (1) the fair market value of the shares on the date the shares are purchased over (2) the purchase price. Any additional gain or loss on such sale or disposition will be capital gain or loss, which will be long-term if the shares are held for more than one year. The Company generally is not entitled to a deduction for amounts taxed as ordinary income or capital gain to a participant except to the extent of ordinary income recognized by participants upon a disqualifying disposition.

Our Board recommends that you vote FOR approval of the Marriott Vacations Worldwide Corporation Employee Stock Purchase Plan.

Item 3 Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board has appointed Ernst & Young as the Company's independent registered public accounting firm for the Company's 2015 fiscal year. Ernst & Young, a firm of registered public accountants, has served as the Company's independent registered public accounting firm since the Spin-Off. Ernst & Young will examine and report to shareholders on the consolidated financial statements of the Company and its subsidiaries.

Representatives of Ernst & Young are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions. You can find information on pre-approval of independent auditor fees and Ernst & Young's 2014 and 2013 fees on page 22.

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Although the Audit Committee has discretionary authority to appoint the independent auditors, the Board is seeking shareholder ratification of the appointment of the independent auditors as a matter of good corporate governance. If the appointment of Ernst & Young is not ratified by shareholders, the Audit Committee will take that into consideration when determining whether to continue the firm's engagement. Even if the appointment is ratified, the Audit Committee at its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company.

Our Board of Directors recommends that you vote FOR ratification of the appointment of Ernst & Young as the Company's independent registered public accounting firm for its 2015 fiscal year.

Item 4 Advisory Resolution to Approve Executive Compensation

We are asking shareholders to approve an advisory resolution on the Company's executive compensation as reported in this Proxy Statement. As described below in the Compensation Discussion and Analysis section of this Proxy Statement, the Compensation Policy Committee has structured our executive compensation program to achieve the following key objectives:

Executive officers should be paid in a manner that is primarily focused on driving shareholder value.

Compensation should be designed to motivate executive officers to perform their duties in ways that would help achieve current year as well as longer-term objectives.

The compensation program must be competitive in order to attract key talent from within and outside of our industry and retain key talent at costs consistent with market practice.

Our executive compensation programs have a number of features designed to promote these objectives:

Performance-based equity compensation is a significant component of total pay opportunity for our executive officers. For 2015, the percentage of the grant date value of each named executive officer's total equity compensation that consisted of performance-based stock units (Performance Units) was increased from 30 percent in 2014 to 45 percent, and the percentage that consisted of time-vested restricted stock units (RSUs) was decreased from 40 percent in 2014 to 25 percent.

Annual cash compensation awards are designed to reward the achievement of pre-established financial objectives, individual achievement objectives, customer/guest satisfaction objectives and associate engagement objectives.

We have a long-term incentive plan with share-based payouts at the end of three-year performance periods that rewards executives for meeting key financial objectives.

We have a clawback policy applicable to incentive compensation paid to our executive officers and directors, which is in addition to the clawback provision that applies to equity awards issued under the Marriott Vacations Worldwide Corporation Stock and Cash Incentive Plan (the Stock and Cash Incentive Plan).

We do not provide for a gross-up of excise taxes on any parachute payments that could become payable in connection with a change in control.

Executive officers are provided only limited perquisites and are not provided with tax gross-ups with respect to such perquisites.

The Stock and Cash Incentive Plan does not include an evergreen provision.

We cannot, without shareholder approval, reprice stock options or stock appreciation rights (SARs) by reducing the exercise price of such stock option or SAR, exchanging such stock option or

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SAR for a new award with a lower exercise price, or exchanging such stock option or SAR for cash (other than in connection with specified corporate transactions).

We do not provide single trigger change in control benefits, except with respect to equity awards which are not retained or replaced with substitute awards following a change in control.

We have share ownership guidelines that require our Chief Executive Officer to own shares of our common stock (as determined under the guidelines) with a market value equal to five times base salary and other executive officers to own shares of our common stock with a market value equal to two to three times annual base salary. Executive officers who served in such capacity at the time of the Spin-Off are expected to achieve compliance with these guidelines by the end of 2016; other executive officers are expected to achieve compliance by the end of their fifth full year of service.

Equity grants are made on a consistent schedule and are not made in anticipation of significant developments that may impact the price of our common shares. Annual grants are generally made during the first quarter, after the release of our earnings for the prior year and guidance for the current year, which is intended to ensure that we do not make equity grants when we have material, non-public information.

Our associates, officers and directors may not at any time engage in any form of derivative transactions (such as short sales or option puts or calls) in our securities.

Our associates, officers and directors are prohibited from including Marriott Vacations Worldwide stock or other securities in a margin account or pledging such securities as collateral for a loan.

We do not have employment agreements with any of our executive officers.

None of our executive officers are entitled to guaranteed bonuses.

We urge shareholders to read the Compensation Discussion and Analysis beginning on page 23 of this Proxy Statement, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative, appearing on pages 39 through 49, which provide detailed information about the compensation of our named executive officers. The Compensation Policy Committee and the Board of Directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our named executive officers reported in this Proxy Statement reflects and supports these compensation policies and procedures.

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

RESOLVED, that the shareholders of Marriott Vacations Worldwide Corporation (the Company) approve, on an advisory basis, the compensation of the Company s named executive officers disclosed in the Compensation

Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company's 2015 Annual Meeting of Shareholders.

This advisory resolution, commonly referred to as a "say-on-pay" resolution, is not binding on the Board of Directors. Although non-binding, the Board and the Compensation Policy Committee will review and consider the voting results when making future decisions regarding our executive compensation program. The Board's current policy is to hold an advisory vote on executive compensation on an annual basis, and accordingly, after the 2015 Annual Meeting, the next advisory vote on the compensation of our named executive officers is expected to occur at our 2016 Annual Meeting of Shareholders.

Our Board of Directors recommends that you vote FOR the approval of the advisory resolution to approve executive compensation.

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CORPORATE GOVERNANCE

Summary of our Corporate Governance Practices

The following are some highlights of our corporate governance practices.

A majority of our Board members are independent.

All members of our Audit Committee, Compensation Policy Committee and Nominating and Corporate Governance Committee are independent.

The Chairman of our Board of Directors is independent.

We have a Lead Independent Director who presides at executive sessions of our non-management directors and independent directors in the absence of the Chairman and has other responsibilities.

Our Board has adopted Corporate Governance Principles that meet or exceed the New York Stock Exchange (NYSE) Listing Standards.

No incumbent director attended fewer than 75 percent of the meetings of the Board or any Committee on which such director served during the Company's 2014 fiscal year.

Our Board is divided into three classes of directors that are of equal size to the extent possible, with the directors in each class elected every three years.

All shareholders may vote on the election of all directors who are nominated for election.

There are no family relationships between any of our directors or executive officers.

Only one member of our Board, Mr. Weisz, is a current employee of the Company.

Our Corporate Governance Principles limit the number of boards of publicly traded companies on which our directors may serve, and none of our directors serve on the boards of more than three such companies in addition to the Company.

Other than Mr. Weisz, who serves on our Board, none of our executive officers serve on the board of directors of any publicly traded company.

The Company does not have a rights plan, or poison pill.

Our Board of Directors

The biography of each of our directors, as well as the qualifications and experiences each director brings to our Board, is set forth below. The age shown below for each director is as of June 5, 2015, which is the date of the Annual Meeting.

Nominees for Director Whose Terms Would Expire at the 2018 Annual Meeting of Shareholders

The Board has nominated two directors to be elected at the Annual Meeting to serve for a three-year term ending with the 2018 Annual Meeting of Shareholders, or until a successor is duly elected and qualified, or his earlier death, resignation or removal. Each nominee is currently a director of the Company and has agreed to serve if elected.

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Melquiades R. Martinez

Mr. Martinez, 68, has served as a director of the Company since November 2011. He has served as Chairman of the Southeast and Latin America of JPMorgan Chase & Co., an investment and financial services company, since July 2010. Prior to that, he was a partner in the law firm DLA Piper, LLC from September 2009. Mr. Martinez served as a U.S. Senator from Florida from January 2005 through September 2009. He also served as Chairman of the Republican Party from November 2006 through October 2007, as Secretary of the U.S. Department of Housing and Urban Development from 2001 to 2004, and as Mayor of Orange County, Florida from November 1998 to January 2001. Mr. Martinez is a director of NVR, Inc., the publicly traded parent company of home construction companies Ryan Homes, NVHomes and Fox Ridge Homes. Mr. Martinez formerly served as a director of Progress Energy, Inc.

Mr. Martinez provides our Board with the benefit of his vast experience in the public and private sector and his in-depth knowledge of and relationships within the Florida community, where our headquarters are located. The Board also benefits from his legal experience and knowledge of the legislative and regulatory processes.

Stephen P. Weisz, President and Chief Executive Officer

Mr. Weisz, 64, has served as a director of the Company since November 2011, as our President since 1996 and as our Chief Executive Officer since 2011. Mr. Weisz joined Marriott International in 1972. Over his 39-year career with Marriott International, he held a number of leadership positions in the Lodging division, including Regional Vice President of the Mid-Atlantic Region, Senior Vice President of Rooms Operations, and Vice President of the Revenue Management Group. Mr. Weisz became Senior Vice President of Sales and Marketing for Marriott Hotels, Resorts & Suites in 1992 and Executive Vice President-Lodging Brands in 1994 before being named to lead the Company in 1996. He currently serves as Chairman of the Board of Directors of the American Resort Development Association. Mr. Weisz is also the Chairman of the Board of Trustees of Children's Miracle Network.

Mr. Weisz brings to the Board the extensive lodging and vacation ownership industry expertise he developed during his over 42 years in the industry, including 39 years with Marriott International, as well as corporate leadership experience from his service as our President since 1996 and his position as Chairman of the Board of Directors of the American Resort Development Association.

Directors Whose Terms Expire at the 2016 Annual Meeting of Shareholders

Raymond L. Gellein, Jr.

Mr. Gellein, 67, has served as a director of the Company since November 2011. He has served as Chairman of the Board, Chief Executive Officer and President of Strategic Hotels and Resorts, Inc., a publicly traded real estate investment trust (REIT) with a portfolio of luxury hotels, since November 2012, from August 2010 to November 2012 as its non-executive Chairman, and as a director since August 2009. He served as President of the Global Development Group of Starwood Hotels and Resorts Worldwide, Inc. from July 2006 through March 2008, and as Chairman and Chief Executive Officer of Starwood Vacation Ownership, Inc., a subsidiary of Starwood Hotels & Resorts Worldwide, Inc., a publicly traded hotel and leisure company, from October 1999 to July 2006. Mr. Gellein is also Chair Emeritus of the American Resort Development Association and serves as Vice Chairman and Treasurer of the Mind and Life Institute.

Based on his current role with Strategic Hotels and Resorts and his past roles at Starwood, Mr. Gellein brings to the Board vast leadership experience in the hospitality and lodging industries with a particular expertise in the vacation ownership sector. As a result of these roles, Mr. Gellein also has experience as an executive officer and Board member of publicly traded companies. As a past Chairman of the Board of Directors of the American Resort Development Association, he also has extensive knowledge of the legislative and regulatory issues related to the vacation ownership business.

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Thomas J. Hutchison III

Mr. Hutchison, 73, has served as a director of the Company since November 2011. Since October 2008, Mr. Hutchison has served as Chairman of Legacy Hotel Advisors, LLC and Legacy Healthcare Advisors, LLC, industry consulting firms of which he is the principal founder. From January 2000 through 2007, he served in various executive positions at CNL Financial Group, Inc., including as Chief Executive Officer of CNL Hotels & Resorts, a publicly traded REIT, and CNL Retirement, a REIT with investments in medical real estate. Mr. Hutchison is also a member of the Board of Trustees of Hersha Hospitality Trust, a publicly traded REIT, and a Director of Target Healthcare REIT Ltd., a company traded on the London Stock Exchange. He also serves on the board of the U.S. Chamber of Commerce.

Mr. Hutchison brings to the Board his over 40 years of senior leadership experience in the lodging, hospitality, travel, and real estate development and finance industries. Mr. Hutchison also has extensive business development experience and experience as a Board member of publicly traded companies.

Dianna F. Morgan

Ms. Morgan, 63, has served as a director of the Company since April 2013. She retired from a 30-year career with Walt Disney World Company, a subsidiary of The Walt Disney Company, a publicly traded entertainment company, in 2001, where she served as Senior Vice President of Public Affairs and Human Resources for Walt Disney World Company. During her tenure at Walt Disney World Company, she oversaw the Disney Institute, a recognized leader in experiential training, leadership development, benchmarking and cultural change for business professionals around the world. She served on the Board of Trustees for the University of Florida from 2001 to 2011, and as its Chair from 2007 to 2009. She currently serves on the Board of Directors of CNL Bancshares, Inc. and Chesapeake Utilities Corporation and the Board of Trustees of Hersha Hospitality Trust, a publicly traded REIT. Ms. Morgan is also Chair of the Board of Directors of Orlando Health and Past Chair of the national board for the Children's Miracle Network.

As an accomplished senior manager at Walt Disney World Company in various areas, Ms. Morgan brings to the Board best practice expertise in human capital and the customer experience. Ms. Morgan's previous experience overseeing the Disney Institute, which provides leading professional development programs, and serving as Senior Vice President of Human Resources for Walt Disney World Company have provided her with extensive knowledge of leadership development programs and organizational culture. In addition, Ms. Morgan's experience as Senior

Vice President of Public Affairs for Walt Disney World Company has provided her with a solid foundation in media relations and government relations. She also has extensive experience as a Board member of publicly traded and private companies.

Directors Whose Terms Expire at the 2017 Annual Meeting of Shareholders

William J. Shaw, Chairman

Mr. Shaw, 69, has served as a director of the Company since July 2011 and as Chairman of our Board since November 2011. He served as Vice Chairman of Marriott International, a publicly traded international lodging and hospitality company, from May 2009 until his retirement in March 2011. He previously served as President and Chief Operating Officer of Marriott International from 1997 until May 2009. He joined Marriott International in 1974 and was named Corporate Controller in 1979 and a Corporate Vice President in 1982. In 1986, Mr. Shaw was named Senior Vice President-Finance and Treasurer of Marriott International. He became Chief Financial Officer and Executive Vice President of Marriott International in 1988. In 1992, he was named President of the Marriott Service Group. Mr. Shaw serves on the Board of Directors of Carlyle Group Management L.L.C., the general partner of The Carlyle Group, L.P. He also serves on the Board of Trustees of three funds in the American Family of Mutual Funds, the Board of Trustees of the University of Notre Dame

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and the Board of Trustees of Suburban Hospital. Mr. Shaw served as a Director of Marriott International from March 1997 through 2011.

Mr. Shaw brings to the Board extensive management experience with Marriott International, his prominent status in the hospitality industry and a wealth of knowledge in dealing with financial and accounting matters as a result of his prior service in financial and accounting positions at Marriott International, including as its Chief Financial Officer. Mr. Shaw also has experience as a Board member of publicly traded companies.

C.E. Andrews

Mr. Andrews, 63, has served as a director of the Company since April 2013. Mr. Andrews has served as Chief Executive Officer of MorganFranklin Consulting, a business consulting and technology solutions company, since May 2013. From June 2009 until February 2012, Mr. Andrews was the president of RSM McGladrey Business Services, Inc., an audit and accounting services provider. Prior to that, Mr. Andrews served as the president of SLM Corporation (Sallie Mae), which originates, services and collects student loans. He joined Sallie Mae in 2003 as the Executive Vice President of Accounting and Risk Management, and held the title of Chief Financial Officer from 2006 to 2007. Prior to joining Sallie Mae, Mr. Andrews spent approximately 30 years at Arthur Andersen, LLP, an accounting firm. He served as managing partner for Arthur Andersen's mid-Atlantic region, and was promoted to global managing partner for audit and advisory services in 2002. Mr. Andrews serves on the boards of WashingtonFirst Bankshares, Inc., Washington Mutual Investors Fund, and NVR, Inc., the publicly traded parent company of home construction companies Ryan Homes, NVHomes and Fox Ridge Homes. He also serves on the Boards of Junior Achievement, The Global Good Fund and Inova Health Foundation. Within the last five years, Mr. Andrews was also a member of the Board of Directors of U-Store-It Trust (now CubeSmart) and Six Flags, Inc.

Mr. Andrews brings to the Board, and particularly to the Audit Committee, the extensive financial and accounting expertise that he obtained over his thirty year career in public accounting, as well as through his role as Chief Financial Officer of Sallie Mae. Mr. Andrews also has experience as a Board member and an officer of publicly traded companies.

William W. McCarten

Mr. McCarten, 66, has served as a director of the Company since November 2011. He has served as non-executive Chairman of the Board of DiamondRock Hospitality Company, a publicly traded lodging REIT, since January 2010. He was Executive Chairman of DiamondRock from September 2008 to December 2009. Prior to that, he was Chairman and Chief Executive Officer of DiamondRock from its inception in 2004 until September 2008. From 1979 through 2003, Mr. McCarten worked at Marriott International and companies that operated businesses that were previously part of Marriott International or its predecessors, where he held a number of executive positions, including President of the Services Group and President and Chief Executive Officer of HMSHost Corporation, a publicly traded company, and he served as a consultant to Marriott International from January 2004 to June 2004. Mr. McCarten is also a director of Cracker Barrel Old Country Store, Inc., a publicly traded company.

Mr. McCarten provides the Board with the benefit of his extensive experience in the hospitality industry and capital markets, including his service as Chief Executive Officer of two publicly traded companies and as a board member of publicly traded companies. He is a former certified public accountant who has a strong familiarity with accounting and financial reporting matters.

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Board Leadership Structure

Mr. Shaw serves as the Chairman of the Board. Our Corporate Governance Principles provide that an independent director will serve as Lead Independent Director, as recommended by the Nominating and Corporate Governance Committee and selected by the Board. Mr. Martinez currently serves as Lead Independent Director. When the position of Chairman is held by an independent director, such as Mr. Shaw, the Lead Independent Director's responsibilities include: (1) setting the agenda for and presiding over the executive sessions of the non-management directors and independent directors in the Chairman's absence; (2) participating with the Chairman in setting agendas and schedules for Board meetings; (3) chairing Board meetings in the Chairman's absence; and (4) acting as a liaison between the independent directors and the Chairman. The Lead Independent Director also has the authority to call additional executive sessions as appropriate.

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

We believe that the separation of the roles of Chairman and Chief Executive Officer, and the oversight by the independent directors, is the optimal leadership structure for the Company and our shareholders at this time, because it allows our Chief Executive Officer to focus on his duties while benefitting from the Chairman's significant experience at Marriott International and in the hospitality industry.

Selection of Director Nominees

The Nominating and Corporate Governance Committee identifies and recruits candidates for election to the Board. The Nominating and Corporate Governance Committee selects and recommends to the Board director candidates based on character, judgment, personal and professional ethics, personal and professional integrity, values, background experience, technical skills, affiliations, familiarity with national and international issues affecting our business and demonstrated exceptional ability and judgment. Although we do not have a formal policy regarding diversity, our Board views diversity as a priority and seeks diverse representation among its members. The Nominating and Corporate Governance Committee recommends to the Board the Company's candidates for election or reelection to the Board at each annual shareholders' meeting and candidates to be elected by the Board as necessary to fill vacancies and newly created directorships. The Board proposes a slate of nominees to the shareholders for election to the Board. The Board also determines the number of directors on the Board.

The Nominating and Corporate Governance Committee will consider candidates for Board membership recommended by shareholders. Shareholders may recommend nominees for consideration by the Nominating and Corporate Governance Committee by submitting the names and supporting information to: Marriott Vacations Worldwide Corporation, 6649 Westwood Boulevard, Orlando, Florida, 32821, Attention: Corporate Secretary. The supporting information should include the information required by our Bylaws in connection with the nominations of persons for election to the Board. The Nominating and Corporate Governance Committee will evaluate all candidates, regardless of source, in light of the Board-approved criteria.

Corporate Governance Principles

Our Board has adopted Corporate Governance Principles that meet or exceed the NYSE Listing Standards. The full text of the Corporate Governance Principles can be found in the Investor Relations section of our website

(www.marriottvacationsworldwide.com) by clicking on Corporate Governance. A copy may also be obtained upon request from our Corporate Secretary. Our Corporate Governance Principles establish the limit on the number of boards of publicly-traded companies on which the Company's directors may serve at three,

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including our Board, for directors who are chief executive officers of publicly traded companies, and six for other directors. Our Corporate Governance Principles also establish the limit on the number of audit committees of publicly traded companies on which members of the Company's Audit Committee may serve, including our Audit Committee, at three.

Director Independence

Our Corporate Governance Principles provide that at least a majority of the Board will consist of independent directors. An independent director is a director who meets the NYSE definition of independence, as determined by the Board. To be considered independent, the Board must determine that a director has no direct or indirect material relationship with the Company. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating and Corporate Governance Committee. The Board undertook its annual review of director independence in February 2015. As a result of this review, the Board affirmatively determined that seven of our eight directors are independent: Mr. Andrews, Mr. Gellein, Mr. Hutchison, Mr. Martinez, Mr. McCarten, Ms. Morgan and Mr. Shaw. Mr. Weisz is not independent as a result of his employment with the Company.

In assessing director independence, the Board considered relationships with the Company over the past three years, because the NYSE Listing Standards look back three years when evaluating a director's independence. Specifically, the Board considered that Mr. Martinez is an employee of JP Morgan Chase & Co. (JPMorgan), a company that provides various financial and banking services to us, including acting as the lead bank in the syndicate of banks in our Revolving Corporate Credit Facility. Mr. Martinez is not an executive officer of JPMorgan and does not work in the business units of JPMorgan that provide services to us. In addition, payments that we made to or received from JPMorgan were less than one percent of JPMorgan's consolidated gross annual revenues in each of the last three fiscal years. The Board also considered that Mr. Andrews' son is employed as an audit manager with Ernst & Young, the Company's independent registered public accounting firm. Mr. Andrews' son does not, and has not previously, worked on the Company's audit. Both the Company's engagement of Ernst & Young and Ernst & Young's employment of Mr. Andrews' son began before Mr. Andrews joined our Board. The Board further considered that Mr. McCarten is affiliated with a company that does business in the ordinary course with the Company and that the payments fell below the thresholds contained in the NYSE Listing Standards regarding director independence. The Board also considered that Mr. Gellein is a Chair Emeritus and, until April 2014 was a member of the Board of Directors, of a trade association that received payments from the Company that fell below the thresholds contained in the NYSE Listing Standards regarding director independence. The Board also considered that Ms. Morgan served on the Board of a non-profit organization that received contributions from the Company that did not exceed the greater of \$1 million, or 2 percent of such tax exempt organization's consolidated gross revenues.

Board and Committee Meetings and Attendance

Our Board met six times in 2014. No incumbent director attended fewer than 75 percent of the meetings of the Board or any Committee on which such director served. Directors are expected to attend annual meetings of shareholders. Seven of the eight directors in office at the time of our 2014 Annual Meeting of Shareholders attended that meeting.

Committees of our Board

The Board has three standing committees: the Audit Committee, the Compensation Policy Committee and the Nominating and Corporate Governance Committee. The Board has adopted a written charter for each committee, and those charters are available in the Investor Relations section of our website (www.marriottvacationsworldwide.com) by clicking on Corporate Governance. Copies of the committee

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charters also may be obtained upon request from our Corporate Secretary. Other committees may also be established by our Board from time to time. The composition of our committees is set forth in the chart below.

Compensation Policy		
Audit Committee	Committee	Nominating and Corporate Governance Committee
William W. McCarten (Chair)	Thomas J. Hutchison III (Chair)	Melquiades R. Martinez (Chair)
C.E. Andrews	Raymond L. Gellein, Jr.	C.E. Andrews
Raymond L. Gellein, Jr.	William W. McCarten	Raymond L. Gellein, Jr.
Thomas J. Hutchison III	Dianna F. Morgan	Thomas J. Hutchison III
		William W. McCarten
		Dianna F. Morgan

Audit Committee

The Board has determined that each of the members of the Audit Committee is independent as defined under our Corporate Governance Principles, the NYSE Listing Standards and applicable SEC rules for audit committee members. The Audit Committee met eight times in 2014. There is unrestricted access between the Audit Committee and the independent auditor and internal auditors. The Board has determined that all members of the Audit Committee are financially literate, and that Mr. Andrews and Mr. McCarten each possesses accounting or related financial management expertise within the meaning of the NYSE Listing Standards and qualifies as an audit committee financial expert as defined under the applicable SEC rules.

The responsibilities of the Audit Committee include, among other things:

appointing, retaining, overseeing and determining the compensation of our independent auditor;

approving all terms and fees associated with any audit engagement of our independent auditor;

overseeing our accounting, reporting, and financial practices;

overseeing our internal control environment and compliance with legal and regulatory requirements;

overseeing our independent auditors' qualifications and independence; and

overseeing the performance of our internal audit function and the independent auditor.

The Audit Committee meets at least annually with representatives of our Disclosure Committee, a management committee that assists in ensuring the Company's public disclosures are accurate and timely. A shareholder may receive a copy of the Disclosure Committee's charter upon request from our Corporate Secretary.

Compensation Policy Committee

The Board has determined that each of the members of the Compensation Policy Committee is independent as defined under our Corporate Governance Principles and the NYSE Listing Standards for compensation committee members. The Compensation Policy Committee met five times in 2014.

The responsibilities of the Compensation Policy Committee include, among other things:

assist the Board in discharging its responsibilities relating to executive compensation;

overseeing our overall compensation structure, policies and programs;

reviewing and approving on an annual basis the corporate goals and objectives with respect to compensation for the Chief Executive Officer;

overseeing the evaluation and setting the compensation of our other executive officers;

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reviewing a plan for executive succession; and

reviewing the compensation of non-employee directors and recommending any changes in compensation to the Board.

Nominating and Corporate Governance Committee

The Board has determined that each of the members of the Nominating and Corporate Governance Committee is independent as defined under our Corporate Governance Principles and the NYSE Listing Standards. The Nominating and Corporate Governance Committee met four times in 2014.

The responsibilities of the Nominating and Corporate Governance Committee include, among other things:

identifying and evaluating director candidates;

recommending to the Board director candidates for election;

recommending to the Board implementation of corporate governance principles and annually reviewing and recommending changes to these principles as appropriate;

reviewing our conflict of interest and related party transactions policies and approving certain related party transactions as provided for in such policies; and

performing a leadership role in shaping our corporate governance.

Compensation Committee Interlocks and Insider Participation

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

Meetings of Independent Directors

Our Corporate Governance Principles require the Board to have at least two regularly scheduled executive sessions a year for the non-management directors without management present, and require the independent directors to meet in executive session at least annually. The Chairman, who is currently Mr. Shaw, presides at such executive sessions.

Risk Oversight

Our Board is responsible for overseeing our processes for assessing and managing risk. The Board considers our risk profile when reviewing our annual business plan and incorporates risk assessment into its decisions. In performing its oversight responsibilities, our Board receives an annual risk assessment report from the Chief Financial Officer and discusses the most significant risks facing us. The Board believes that its risk oversight process would be effective under a variety of Board leadership structures, and therefore, it does not materially affect the Board's choice of

leadership structure.

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

In addition, the Compensation Policy Committee evaluates any incentives and risks arising from or related to our compensation programs and plans and assesses whether the incentives and risks are appropriate. As discussed in the Compensation Discussion and Analysis below, the Compensation Policy Committee believes that our compensation programs do not present risks that are reasonably likely to have a material adverse effect on the Company.

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Communications with the Board

Anyone, including a shareholder, may communicate a concern about the Company's conduct, or about our accounting, internal accounting controls or auditing matters, directly to the Chairman of the Board, to the Chair of the Nominating and Corporate Governance Committee (who is currently also the Lead Independent Director), to the independent directors, to the non-management/independent directors as a group, or to the Audit Committee. Such communications may be confidential and/or anonymous and may be emailed to business.ethics@mvlc.com or submitted in writing to Marriott Vacations Worldwide Corporation, 6649 Westwood Boulevard, Orlando, Florida, 32821, Attention: Chief Audit Executive. All such concerns are forwarded to the appropriate directors for their review, and are reviewed and addressed by us in the same way that we address other concerns.

Code of Conduct

Our Board has adopted a code of conduct, our Business Conduct Guide, that applies to all of our directors, officers and associates, including our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer. Our Business Conduct Guide is available in the Investor Relations section of our website (www.marriottvacationsworldwide.com) and is accessible by clicking on Corporate Governance. Any amendments to our Business Conduct Guide and any grant of a waiver from a provision of our Business Conduct Guide requiring disclosure under applicable SEC rules will be disclosed at the same location as the Business Conduct Guide in the Investor Relations section of our website located at www.marriottvacationsworldwide.com.

AUDIT COMMITTEE REPORT AND INDEPENDENT AUDITOR FEES

Report of the Audit Committee

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

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

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended January 2, 2015, for filing with the Securities and Exchange Commission.

Members of the Audit Committee:

William W. McCarten, Chair

C.E. Andrews

Raymond L. Gellein, Jr.

Thomas J. Hutchison III

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The Audit Committee's Pre-Approval of Independent Auditor Fees and Services Policy provides for pre-approval of all audit, audit-related, tax and other permissible non-audit services provided by our principal independent auditor on an annual basis and as needed. The Audit Committee has delegated authority to the Audit Committee Chair to pre-approve principal independent auditor services where we deem it necessary or advisable that such service commence prior to the next regularly scheduled meeting (provided that the Audit Committee Chair informs the Audit Committee of any such services and the estimated fees that were pre-approved at the next scheduled in-person meeting). During 2014, all such services were pre-approved by the Audit Committee.

Independent Registered Public Accounting Firm Fee Disclosure

The following table presents aggregate fees billed for professional services rendered by our independent registered public accounting firm, Ernst & Young, for the audit of our annual financial statements for fiscal 2014 and fiscal 2013 and aggregate fees billed in fiscal 2014 and fiscal 2013 for audit-related services, tax services and all other permissible non-audit services rendered by our independent registered public accounting firm. The Audit Committee approved all of the fees presented in the table below.

	2014	2013
Audit Fees ⁽¹⁾	\$ 3,064,500	\$ 2,944,450
Audit-Related Fees ⁽²⁾	146,500	146,791
Tax Fees ⁽³⁾	47,700	67,064
All Other Fees ⁽⁴⁾		48,300
Total Fees	\$ 3,258,700	\$ 3,206,605

- (1) Audit Fees principally consist of fees for audits of our financial statements, reviews of our quarterly financial statements and related reports, reviews of registration statements and certain periodic reports filed with the SEC and fees for statutory audits of our international subsidiaries.
- (2) Audit-Related Fees principally consist of fees paid in connection with special projects and agreed upon procedures.
- (3) Tax Fees principally consist of fees paid in connection with tax compliance services related to our international entities.
- (4) All Other Fees principally consist of fees paid in connection with services related to potential development opportunities, federal employment tax credits and other matters.

EXECUTIVE AND DIRECTOR COMPENSATION**Report of the Compensation Policy Committee**

The Compensation Policy Committee, which is composed solely of independent members of the Board, assists the Board in fulfilling its responsibilities relating to executive compensation. The Compensation Policy Committee is responsible for overseeing compensation programs that enable the Company to attract, retain and motivate executives capable of establishing and implementing business plans in the best interests of the shareholders. The Compensation Policy Committee, on behalf of and in certain instances subject to the approval of the Board, reviews and approves

compensation programs for certain senior officer positions. In this context, the Compensation Policy Committee reviewed and discussed with management the Company's Compensation Discussion and Analysis required by Item 402(b) of SEC Regulation S-K. Following the reviews and discussions referred to above, the Compensation Policy Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Members of the Compensation Policy Committee

Thomas J. Hutchison III, Chair

Raymond L. Gellein, Jr.

William W. McCarten

Dianna F. Morgan

Table of Contents**Compensation Discussion and Analysis**

Our executive officers for whom compensation information is presented in the Summary Compensation Table below, who we refer to as our named executive officers, are:

Name	Title
Stephen P. Weisz	President and Chief Executive Officer
John E. Geller, Jr.	Executive Vice President and Chief Financial Officer
R. Lee Cunningham	Executive Vice President and Chief Operating Officer
Lizabeth Kane-Hanan	Executive Vice President and Chief Growth and Inventory Officer
Brian E. Miller	Executive Vice President and Chief Sales and Marketing Officer

Executive Summary

Our seasoned management team is led by Stephen P. Weisz, our President and Chief Executive Officer, who has served as President of the Company since 1996 and has over 42 years of combined experience at Marriott Vacations Worldwide and Marriott International. Our nine executive officers have an average of over 25 years of total combined experience at Marriott Vacations Worldwide and Marriott International, with half of those years spent leading our business. We believe our management team's extensive public company and vacation ownership industry experience has enabled us to achieve solid performance and will enable us to continue to respond quickly and effectively to changing market conditions and consumer trends.

Our executive compensation program is designed to embody our compensation principles and includes the following key elements:

base salary, which provides our named executive officers a fixed level of compensation;

annual bonus, which encourages the achievement of current year objectives; and

stock based awards, which align the long-term interests of our named executive officers with the interests of our shareholders and encourage the achievement of longer-term objectives.

Company Performance in 2014

During 2014, we celebrated our 30th year in the vacation ownership industry. We have been a pioneer in the vacation ownership industry since 1984, when Marriott International became the first company to introduce a lodging-branded vacation ownership product. Our company's results were strong in the year ended January 2, 2015:

Full year 2014 Adjusted EBITDA (as defined below) totaled \$200 million, an increase of \$25 million, or 14 percent, year-over-year.

Full year 2014 net income totaled \$81 million, or \$2.33 diluted earnings per share, compared to reported net income of \$80 million in 2013, or \$2.18 diluted earnings per share.

In 2014, company development margin, consisting of revenues from the sale of vacation ownership products less the cost of vacation ownership products and marketing and sales costs, divided by revenues from the sale of vacation ownership products, was 20.9 percent compared to 21.2 percent in 2013. North America development margin was 23.4 percent in 2014 compared to 22.1 percent in the prior year.

Total company contract sales were \$713 million, up \$19 million, or 3 percent, from \$694 million in 2013. Excluding the impact of the extra week in our 2013 fiscal year, total company contract sales increased \$29 million, or 4 percent. We consider contract sales, which represent the total amount of

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vacation ownership product sales from purchase agreements signed during a period where we have received a down payment of at least 10 percent of the contract price, reduced by actual rescissions during the period, to be an important operating measure because it reflects the pace of sales in our business.

We completed the sale of partially developed land, an operating golf course, spa and clubhouse and related facilities at The Abaco Club on Winding Bay in the Bahamas for gross cash proceeds of \$10 million, the sale of partially developed land, an operating golf course and related assets, in Kauai, Hawaii for gross cash proceeds of \$40 million, the sale of a parcel of undeveloped land on Singer Island, Florida for gross cash proceeds of \$11 million and the sale of a golf course and adjacent undeveloped land in Orlando, Florida for gross cash proceeds of \$24 million. Including an additional \$20 million we expect to receive in the second quarter of 2015 from the sale of remaining land in Kauai, we will have generated gross cash proceeds of over \$120 million from the sale of excess land and inventory relative to the \$150 to \$200 million we identified at the time of the Spin-Off. Based on the value of the remaining land and inventory to be sold, we expect to generate an additional \$50 million to \$80 million in proceeds.

We repurchased 3,491,702 shares of our common stock under our share repurchase program for a total of \$203 million. In addition, our Board authorized a cash dividend program under which we intend to pay a regular quarterly dividend, and declared our first quarterly dividend of \$0.25 per share. Including the dividend, we returned a total of over \$210 million to shareholders in 2014.

We also have strong associate engagement scores compared to the Aon Hewitt benchmarks of Consumer Services and Best Employer.

Adjusted EBITDA is a financial measure that is not prescribed or authorized by GAAP. Please refer to Appendix B for a reconciliation of Adjusted EBITDA to net income, which is the most directly comparable GAAP financial measure, as well as our reasons for presenting this measure.

Compensation Actions in 2014

The Compensation Policy Committee made the following key compensation decisions for 2014:

Base Salary. The Compensation Policy Committee made salary adjustments for our named executive officers in February 2014, effective January 4, 2014.

Annual Bonus. For 2014, the Compensation Policy Committee established a management bonus plan (the Bonus Plan) for the named executive officers, intended to reward them for achievement of pre-established financial, operational and associate objectives. The financial objectives, with respect to which 60 percent of the amounts payable under the Bonus Plan may be earned, consisted of Adjusted EBITDA, Net Income and Development Margin (each of which is defined below), which were selected because they are important indicators of the Company's profitability and sustainability. With respect to the financial objectives, the payout for each executive officer for 2014 was at 139 percent of the target amount for Adjusted EBITDA, 200 percent of the target amount for Net Income, and 145 percent of the target amount for Development Margin.

Equity Compensation. In February 2014, the Compensation Policy Committee approved the annual equity awards for 2014 for our named executive officers. The awards were a mixture of RSUs, SARs and Performance Units.

Corporate Governance and Best Practices

Our executive compensation programs contain features that are intended to embody our compensation principles and promote strong executive compensation corporate governance.

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Performance-based compensation is a significant component of total pay opportunity for our executive officers. The chart below reflects the percentage of each named executive officer's total compensation for 2014 as reflected in the Summary Compensation Table that was performance-based (amounts earned as annual bonus and sales incentive compensation by the named executive officer for 2014 and the grant date value of the portion of the equity compensation that consists of SARs and Performance Units):

Annual cash compensation awards are designed to reward the achievement of pre-established financial objectives, individual achievement objectives, customer/guest satisfaction objectives and associate engagement objectives.

We have a long-term incentive plan with share-based payouts at the end of three-year performance periods that rewards executives for meeting key financial objectives.

We have a clawback policy applicable to incentive compensation paid to our executive officers and directors, which is in addition to the clawback provision that applies to equity awards under the Stock and Cash Incentive Plan.

We do not provide for a gross-up of excise taxes on any parachute payments that could become payable in connection with a change in control.

Executive officers are provided only limited perquisites and are not provided with tax gross-ups with respect to such perquisites.

The Stock and Cash Incentive Plan does not include an evergreen provision.

We cannot, without shareholder approval, reprice stock options or SARs by reducing the exercise price of such stock option or SAR, exchanging such stock option or SAR for a new award with a lower exercise price, or exchanging such stock option or SAR for cash (other than in connection with specified corporate transactions).

We do not provide single trigger change in control benefits, except with respect to equity awards which are not retained or replaced with substitute awards following a change in control.

We have share ownership guidelines that require our Chief Executive Officer to own shares of our common stock (as determined under the guidelines) with a market value equal to five times base salary and other executive officers to own shares of our common stock with a market value equal to two to three times annual

base salary. Executive officers who served in such capacity at the time of the Spin-Off are expected to achieve compliance with these guidelines by the end of 2016; other executive officers are expected to achieve compliance by the end of their fifth full year of service.

Equity grants are made on a consistent schedule and are not made in anticipation of significant developments that may impact the price of our common shares. Annual grants are generally made during the first quarter, after the release of our earnings for the prior year and guidance for the current

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year, which is intended to ensure that we do not make equity grants when we have material, non-public information.

Our associates, officers and directors may not at any time engage in any form of derivative transactions (such as short sales or option puts or calls) in our securities.

Our associates, officers and directors are prohibited from including Marriott Vacations Worldwide stock or other securities in a margin account or pledging such securities as collateral for a loan.

We do not have employment agreements with any of our executive officers.

None of our executive officers are entitled to guaranteed bonuses.

Philosophy

The Compensation Policy Committee is responsible for approving and overseeing our executive compensation programs. The Compensation Policy Committee has approved, and periodically reviews, compensation principles that form the basis of our compensation philosophy and reflect our belief that strong and consistent leadership is the key to long-term success in our industry. Therefore, in designing and implementing the compensation program that applies to the named executive officers, we emphasized the following three principles:

Executive officers should be paid in a manner that is primarily focused on driving shareholder value. Therefore, equity compensation has been a significant component of total pay opportunity for the named executive officers.

Compensation should be designed to motivate executive officers to perform their duties in ways that would help achieve current year as well as longer-term objectives. This has been achieved by offering a mix of short-term cash-based and long-term equity-based incentives.

The compensation program must be competitive in order to attract key talent from within and outside of our industry and retain key talent at costs consistent with market practice. We work to achieve this, in part, through our review of the market data and internal pay equity considerations described below in making compensation decisions. The Compensation Policy Committee seeks to establish compensation generally consistent with the median in total direct compensation, while also considering performance and scope of job.

Role of Management, the Compensation Policy Committee and the Compensation Consultant

Our Compensation Policy Committee Chair, Thomas J. Hutchison III, with input from our Chairman, William J. Shaw, made recommendations to the Compensation Policy Committee with respect to Mr. Weisz's compensation. With input from our human resources department, Mr. Weisz made compensation recommendations for the other named executive officers. The Compensation Policy Committee approved the total compensation packages for each of

the named executive officers, including base salary, annual bonus targets, actual bonuses earned, and equity awards. In designing and implementing compensation programs applicable to the named executive officers, our Compensation Policy Committee considered the advice and recommendations of its compensation consultant, Exequity LLP. Additional information regarding Exequity LLP is provided below.

2014 Compensation

The elements and levels of our named executive officers' compensation were not determined through rigid, categorical guidelines or formulae. The Compensation Policy Committee considered market data (as described below), and also considered internal factors, such as job level, experience, time in position and internal pay equity, as well as subjective factors such as leadership ability, individual performance, retention needs and future

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potential, as part of the management development and succession planning process. From time to time, the Compensation Policy Committee reviews tally sheets prepared by management for each of the named executive officers. The tally sheet includes, among other things, total annual compensation, the value of unexercised or unvested equity compensation awards, and amounts payable upon termination of employment under various circumstances, including following a change in control. The Compensation Policy Committee did not recommend specific changes for the 2014 compensation of the named executive officers in response to a review of tally sheets in 2014, although it used the tally sheet information as one data point when considering executive compensation matters.

Base Salary

In February 2014, the Compensation Policy Committee approved increases in the base salaries of each of the named executive officers, resulting in the following base salaries effective as of January 4, 2014: Mr. Weisz, \$775,000; Mr. Geller, \$450,000; Mr. Cunningham, \$392,500; Ms. Kane-Hanan, \$360,000; and Mr. Miller, \$607,500. In determining whether to make adjustments to base salaries, the Compensation Policy Committee considered market data, as well as internal factors, experience, time in position and internal pay equity, and subjective factors such as individual performance and future potential. No specific weightings were assigned to the factors considered. The Compensation Policy Committee expects to review base salaries for the named executive officers annually to determine whether base salary levels are commensurate with the officers' responsibilities and the competitive market.

Bonuses and Incentives***Annual Bonuses***

For 2014, the named executive officers participated in the Bonus Plan, which was intended to reward executives for achievement of pre-established financial, operational and associate objectives. The potential awards under the Bonus Plan are reported in the Grants of Plan-Based Awards for Fiscal Year 2014 table, and the actual award amounts earned under the Bonus Plan are reported in the Summary Compensation Table following this Compensation Discussion and Analysis.

For the named executive officers, target awards as a percentage of base salary for 2014 were as follows: Mr. Weisz, 100 percent; Mr. Geller, 75 percent; Mr. Cunningham, 60 percent; Ms. Kane-Hanan, 60 percent; and Mr. Miller, 60 percent. Only Mr. Miller's target award changed from 2013, when it was 50 percent. In determining the amount of the target award percentage for each named executive officer, as well as in determining the differences in the target award percentages among the named executive officers, the Compensation Policy Committee primarily considered market data and internal factors, including pay equity with other officers, differences in responsibilities, future potential and, with respect to Mr. Miller, the fact that he participates in the sales incentive plan described below. The maximum award for each named executive officer was 200 percent of such named executive officer's target award.

Awards under the Bonus Plan also were contingent upon a compensation funding formula based on earnings (net income as reported in the 2014 Form 10-K), before interest expense (excluding consumer financing interest expense, which is described below), provision for income taxes, depreciation and amortization (EBITDA). The purpose of the funding formula is to allow awards under the Bonus Plan to be designed in a manner intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code; provided, however, that the rules and regulations promulgated under Section 162(m) of the Internal Revenue Code are complicated and may change from time to time, sometimes with retroactive effect. As such, there is no guarantee that any award intended to qualify as performance-based compensation will so qualify. The formula establishes an award pool, which sets the maximum amount that could be paid to executive officers covered by the compensation formula as a group at six percent of EBITDA for the fiscal year ended January 2, 2015. The maximum award for Mr. Weisz, as the Chief

Executive Officer, was 40 percent of this pool, the

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maximum award for Mr. Miller was 30 percent of this pool (which includes amounts payable under the sales incentive plan described below), and the maximum amount that could be paid to each of the other named executive officers (other than Mr. Geller) was 15 percent of the pool. In addition, individual annual award amounts are limited to \$4 million as provided in the Stock and Cash Incentive Plan. These limits establish the maximum annual incentive awards that could be paid.

Subject to the overall maximums described above, the Bonus Plan rewarded executives for achievement of pre-established financial, operational and associate objectives. The financial objectives, Adjusted EBITDA, Net Income and Development Margin, were the same as the financial objectives for the 2013 bonus plan. These performance measures were selected because they are important indicators of the Company's profitability and sustainability. The specific performance level percentages for the Adjusted EBITDA, Net Income and Development Margin objectives were set by the Compensation Policy Committee with input from Mr. Weisz and Mr. Geller.

For all named executive officers, Adjusted EBITDA was the most heavily weighted performance criteria, because it is reflective of the financial viability and success of the Company in the performance year. Adjusted EBITDA means EBITDA (as reported in the 2014 Form 10-K), excluding the impact of impairments, restructuring charges (as defined below), gains and losses on the disposal of assets and litigation settlements. Adjusted EBITDA includes the impact of interest expense associated with our debt from the securitization of vacation ownership notes receivable, including the utilization of our warehouse credit facility (which we refer to as consumer financing interest expense). Restructuring charges include expenses associated with our organizational and separation related efforts and costs to execute our strategic initiatives identified at the time of our Spin-Off from Marriott International. The Adjusted EBITDA target was set at \$190 million, a level we believed to be achievable but not certain to be met. For 2014, the named executive officers were eligible to receive the portion of the bonus attributable to Adjusted EBITDA based on the following achievement levels:

	Payout as a
Achievement Target	Percent of Target
\$170 million or less	0%
\$190 million	100%
\$215 million or more	200%

For purposes of the Bonus Plan, Net Income means total revenues less all of the costs of doing business as referenced in the 2014 Form 10-K, with the exception of activity not associated with the Company's on-going core operations. While net income as reported in the 2014 Form 10-K includes costs not associated with the Company's on-going core operations, the Compensation Policy Committee determined that excluding these costs more closely aligned this metric with the results of our on-going core operations. The Net Income target was set at \$87 million, a level we believed to be achievable but not certain to be met. For 2014, the named executive officers were eligible to receive the portion of the bonus attributable to Net Income based on the following achievement levels:

	Payout as a
Achievement Target	Percent of Target
\$78 million or less	0%
\$87 million	100%

\$98 million or more

200%

For purposes of the Bonus Plan, Development Margin consists of revenue from the sale of vacation ownership products less vacation ownership product costs and marketing and sales costs, with the exception of restructuring charges and activity not associated with the Company's on-going core operations, divided by revenue from the sale of vacation ownership products. While development margin as reported in the 2014 Form 10-K does not exclude restructuring charges, the Compensation Policy Committee determined that excluding these charges more closely aligned this metric with the results of our on-going core operations. The Development Margin target for 2014 was set at 20.1 percent, which we believed to be achievable but not certain to be met. For

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2014, the named executive officers were eligible to receive the portion of the bonus attributable to Development Margin based on the following achievement levels:

Achievement Target	Payout as a Percent of Target
18.1% or less	0%
20.1%	100%
22.1% or more	200%

For each of the financial measures, achievement falling between two of the stated performance achievement levels resulted in the payment for that portion of the bonus being interpolated between the corresponding bonus levels. For the fiscal year ended January 2, 2015, we reported Adjusted EBITDA, Net Income and Development Margin of \$200 million, \$81 million and 20.9 percent, respectively. For purposes of the Bonus Plan, the Compensation Policy Committee approved adjustments to these reported results to more closely reflect the results of our on-going core operations. Adjusted EBITDA was slightly adjusted to include a less than \$1 million reversal of a restructuring charge in our Asia Pacific segment that was not associated with our organizational and separation related efforts and costs to execute our strategic initiatives identified at the time of our Spin-Off from Marriott International. Net Income was adjusted to exclude a \$5 million gain related to the sale of undeveloped and partially developed land, two golf courses and related assets, a less than \$1 million reversal of an impairment charge, a \$19 million charge related to litigation settlements, and the tax impact of such exclusions. Development Margin was adjusted to reflect less than \$1 million of restructuring charges. As a result, bonus payouts were based on Adjusted EBITDA of \$199.7 million, Net Income of \$98.4 million and Development Margin of 21.0 percent. This achievement resulted in a payout that was at 139 percent of the target amount but below the maximum amount for Adjusted EBITDA, 200 percent of the target amount and at the maximum amount for Net Income, and 145 percent of the target amount but below the maximum amount for Development Margin (see the table below for the weightings for each metric and the actual amount earned in respect thereof for each named executive officer).

In addition to the financial performance measures, the Bonus Plan for the named executive officers also included performance measures based on individual performance as well as measures of operational performance. These performance measures were evaluated subjectively and objectively and, like Adjusted EBITDA, Net Income and Development Margin targets, are intended to establish high standards, consistent with our quality goals, which we believed were achievable but not certain to be met. We believe that the following individual and operational performance measures are important contributors to achieving success within our industry. Payouts under these performance measures can be zero, at target or maximum award levels or, in most cases, interpolated between zero, target and maximum.

Individual Achievement: The Compensation Policy Committee approved a specific set of management objectives for each of the named executive officers that was aligned to his or her responsibilities and role within the Company. At least 50 percent of the amount each named executive officer could receive for performance with respect to his or her individual achievement measures was tied to objective financial goals. The management objectives generally were expected to be challenging and are among the core duties of the positions.

Examples of the financial goals include:

- i Achieve targeted resort management and other services margin;
- i Achieve targeted financing propensity; and
- i Achieve targeted rental revenue and profit.

Examples of operational goals include:

- i Continue to pursue asset light transactions;

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- i Achieve development and/or asset disposition goals; and
- i Secure new sales distributions.

We do not disclose the specific goals and objectives within, or the relative weighting of, the above objectives because we believe they constitute confidential business information and their disclosure could impair our ability to compete effectively.

Customer/Guest Satisfaction: Customer satisfaction was based on the results of customer and guest satisfaction surveys we developed. Different surveys are used for different aspects of our business, such as Guest Satisfaction for Resort Operations, Sales and Marketing Satisfaction and Owner Services Satisfaction. These surveys address topics such as overall satisfaction, quality of service, and cleanliness of properties. Numerical ratings are assigned with the objective of assessing customers and guests overall satisfaction compared to the goal that is established at the beginning of each year. The goal and achievement of each named executive officer, with the exception of the Executive Vice President and Chief Sales and Marketing Officer, were based on a composite score of the three satisfaction surveys. The composite is a weighted average of the three surveys, based on number of responses. The goal and achievement of the Executive Vice President and Chief Sales and Marketing Officer were based upon the weighted average of the Sales & Marketing Satisfaction survey and the Owner Services Satisfaction survey, based on the number of responses.

Associate Engagement: Assessment of our associate engagement for the named executive officers was based on our engagement assessment for their areas of responsibility compared to the Aon Hewitt benchmarks of Consumer Services and Best Employer, adjusted for geographic differentials.

The respective weightings of the relevant performance measures and the aggregate target and actual payments under the Bonus Plan are displayed in the table below.

Name		Individual Performance					Customer/		Total
		Adjusted EBITDA	Net Income	Development Margin	Financial Operations	Satisfaction	Guest	Associate Engagement	
Stephen P. Weisz	Weight of Total Award (%)	30.00	15.00	15.00	10.00	10.00	10.00	10.00	100.00
	Target Award as % of Salary	30.00	15.00	15.00	10.00	10.00	10.00	10.00	100.00
	Actual Payout as % of Salary	41.59	30.00	21.75	20.00	13.00	12.22	20.00	158.56
	Actual Payout as % of Target	138.63	200.00	145.00	200.00	130.00	122.22	200.00	158.56
John E. Geller, Jr.	Weight of Total Award (%)	30.00	15.00	15.00	10.00	10.00	10.00	10.00	100.00
	Target Award as % of Salary	22.50	11.25	11.25	7.50	7.50	7.50	7.50	75.00
	Actual Payout as % of Salary	31.19	22.50	16.31	15.00	9.90	9.17	15.00	119.07
	Actual Payout as % of Target	138.63	200.00	145.00	200.00	132.00	122.22	200.00	158.76
R. Lee Cunningham	Weight of Total Award (%)	30.00	15.00	15.00	12.00	8.00	10.00	10.00	100.00
	Target Award as % of Salary	18.00	9.00	9.00	7.20	4.80	6.00	6.00	60.00

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	Actual Payout as % of Salary	24.95	18.00	13.05	12.00	8.40	7.33	12.00	95.74
	Actual Payout as % of Target	138.63	200.00	145.00	166.67	175.00	122.22	200.00	159.56
Lizabeth Kane-Hanan	Weight of Total Award (%)	30.00	15.00	15.00	10.00	10.00	10.00	10.00	100.00
	Target Award as % of Salary	18.00	9.00	9.00	6.00	6.00	6.00	6.00	60.00
	Actual Payout as % of Salary	24.95	18.00	13.05	9.36	11.52	7.33	12.00	96.22
	Actual Payout as % of Target	138.63	200.00	145.00	156.00	192.00	122.22	200.00	160.36
Brian E. Miller	Weight of Total Award (%)	30.00	15.00	15.00	10.00	10.00	10.00	10.00	100.00
	Target Award as % of Salary	18.00	9.00	9.00	6.00	6.00	6.00	6.00	60.00
	Actual Payout as % of Salary	29.45	18.00	13.05	11.52	10.80	7.33	12.00	97.66
	Actual Payout as % of Target	138.63	200.00	145.00	192.00	180.00	122.22	200.00	162.76

The total amount of payout for each named executive officer was as follows: Mr. Weisz, \$1,228,848; Mr. Geller, \$535,819; Mr. Cunningham, \$375,766; Ms. Kane-Hanan, \$346,380; and Mr. Miller, \$593,264.

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Sales Incentive Compensation

Reflecting the significance of customer relations and sales functions to our business and industry practice, Mr. Miller also has been compensated through a sales incentive plan (Sales Incentive Plan) under which he was compensated based on our achievement of pre-established goals with respect to contract sales volume, cash marketing and selling costs, and marketing and sales corporate overhead costs. The Sales Incentive Plan was recommended by Mr. Weisz and approved by the Compensation Policy Committee and was established based upon an assessment of competitive pay practices in the vacation ownership industry and marketing and sales functions.

Payouts under the Sales Incentive Plan could have been zero or maximum award levels or interpolated between zero and maximum, which was 50 percent of Mr. Miller's base salary. We report the potential payments under the Sales Incentive Plan for 2014 in the Grants of Plan-Based Awards for Fiscal Year 2014 table, and we include the actual amount paid to Mr. Miller under the Sales Incentive Plan for 2014 in the non-equity incentive plan compensation column in the Summary Compensation Table following this Compensation Discussion and Analysis. We do not disclose the specific goals and objectives within, or the relative weighting of, Mr. Miller's goals under the Sales Incentive Plan because we believe they constitute confidential business information and their disclosure could impair our ability to compete effectively. However, we believe the performance goals were challenging but reasonably attainable at the time the goals were established.

Mr. Miller's performance was at 0 percent of the maximum achievement level with respect to contract sales volume, 100 percent of the maximum achievement level with respect to marketing and selling costs, and 100 percent of the maximum achievement level with respect to corporate overhead. The total amount of payout for Mr. Miller was \$182,250.

Stock Awards

Stock Awards Granted in 2014

We expect that equity compensation awards will be granted to the named executive officers under the Stock and Cash Incentive Plan on an annual basis. With multi-year and, in some cases, performance-based vesting conditions and the opportunity for long-term capital appreciation, the annual stock awards help us achieve our objectives of attracting and retaining key executive talent, linking named executive officer pay to long-term Company performance and aligning the interests of named executive officers with those of shareholders.

In February 2014, the Compensation Policy Committee approved annual equity awards for 2014 for our named executive officers. The amount of each named executive officer's award, as well as the differences in the target award percentages among the named executive officers, were determined primarily by considering market data (as described below) and internal factors, including pay equity with other officers, differences in responsibilities, job performance, and future potential. For the named executive officers, the approved value of the awards was as follows: Mr. Weisz, \$2,100,000; Mr. Geller, \$900,000; Mr. Cunningham, \$500,000; Ms. Kane-Hanan, \$425,000; and Mr. Miller, \$400,000.

The value of the awards was allocated for each named executive officer as follows: 40 percent as RSUs; 30 percent as SARs; and 30 percent as Performance Units. The allocations were set so as to advance the executives' alignment with shareholders by increasing their equity ownership, while tying a majority of the awards to future stock price performance and achievement of financial performance goals. The awards are reflected in the Summary Compensation Table for 2014 and the Grants of Plan-Based Awards for Fiscal Year 2014.

The Performance Units granted in 2014 represent the right to receive shares of our common stock at the end of the performance period beginning January 4, 2014 and ending December 30, 2016, in an amount determined based on the Company's cumulative achievement over the performance period with respect to two performance objectives: Adjusted EBITDA and return on invested capital, each weighted equally. Return on invested capital (ROIC) means earnings (as reported in our annual reports on Form 10-K) over the performance period, excluding the impact of all interest expense, provision for income taxes, impairments, restructuring charges (as

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defined above), gains and losses on the disposal of assets and litigation settlements, as a percentage of its Total Invested Capital. Total Invested Capital means the average of the beginning of the performance period and the end of the performance period total assets less current liabilities excluding debt; provided that any cash in excess of \$75 million will be disregarded for purposes of determining total assets. The Adjusted EBITDA target was set at \$640 million, a level we believed to be achievable but not certain to be met. The ROIC target was set at 10.6 percent, a level we believed to be achievable but not certain to be met.

The number of Performance Units actually earned will be determined following the end of the Performance Period and will be equal to 50 percent of the granted number of Performance Units multiplied by a percentage corresponding to the achievement level of the Adjusted EBITDA performance objective plus 50 percent of the granted number of Performance Units multiplied by a percentage corresponding to the achievement level of the ROIC performance objective. The number of shares that will be received can range from zero to two times the number of Performance Units granted and will be based on the following achievement levels:

Adjusted EBITDA	ROIC	Payout as a
Achievement Target	Achievement Target	Percent of Target
\$512 million or less	8.5% or less	0%
\$544 million	9.0%	50%
\$640 million	10.6%	100%
\$736 million or more	12.2% or more	200%

If performance falls between levels, the vesting percentage will be determined by the Compensation Policy Committee based on straight-line interpolation; provided, however, that no payout will be made with respect to the Adjusted EBITDA performance objective for achievement of \$512 million or less and no payout will be made with respect to the ROIC performance objective for achievement of 8.5% or less.

Performance Units will not vest if the named executive officer does not continue to be an active employee of the Company during the entire period from the grant date through the performance period (unless the named executive officer retires as an approved retiree or dies or is disabled during such period) or engages in competition or acts that are or potentially are injurious to the Company's operations, financial condition or business reputation during that period; the named executive officers are also prohibited from soliciting any of our employees to leave our employment during the period from the grant date until the first anniversary of the termination of the officer's employment for any reason. If a named executive officer retires as an approved retiree during the performance period, a pro rata portion of the Performance Units will continue to vest on the same terms. If a named executive officer dies or is disabled during the performance period, a portion of the Performance Units will vest.

Performance Units Vested in 2014

In 2014, each of the named executive officers received shares upon the vesting of the Performance Units granted in 2012. These performance shares represented the right to receive shares of our common stock at the end of the performance period beginning December 30, 2011 and ending January 2, 2015, in an amount determined based on the Company's cumulative achievement over the performance period with respect to two performance objectives: Adjusted EBITDA and ROIC, each weighted equally. The Adjusted EBITDA target was set at \$414 million and the ROIC target was set at 7.1 percent, levels we believed to be achievable but not certain to be met. Performance exceeded the target achievement level but was below the maximum achievement level for both Adjusted EBITDA and ROIC as follows:

Criteria	Achievement	Payout as a Percent of Target
Cumulative Adjusted EBITDA	\$467 million	185.68%
ROIC	8.16%	<u>196.39%</u>
		191.04%

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As a result of such performance, the named executive officers received the following numbers of shares: Mr. Weisz, 65,150 shares; Mr. Geller, 27,321 shares; Mr. Cunningham, 11,560 shares; Ms. Kane-Hanan, 9,984 shares; and Mr. Miller, 9,984 shares.

Other Compensation

Perquisites

In 2014, we offered only a limited number of compensatory room nights, a minimal executive physical benefit and a status upgrade in the Marriott Rewards program. The value of these benefits was included in the executives' wages for tax purposes, and we did not provide tax gross-ups to the executives with respect to these benefits.

Other Benefits

Named executive officers also can participate in the same plans and programs offered to all our eligible employees. Some of these benefits were paid for by the executives, such as elective deferrals under our 401(k) plan (the 401(k) Plan), vision coverage, long- and short-term disability, group life and accidental death and dismemberment insurance, and health care and dependent care spending accounts. Other benefits were paid for or subsidized by us, such as the company match under the 401(k) Plan, certain group medical and dental benefits, business travel accident insurance and tuition reimbursement.

Long-Term Disability Plan

Effective as of January 1, 2015, our named executive officers and approximately 250 other associates are eligible to participate in the Marriott Vacations Worldwide Corporation Executive Long-Term Disability Plan (the LTD Plan). The purpose of the LTD Plan is to improve the ability of the Company to attract and retain executive and senior level associates by providing such associates with enhanced long-term disability insurance. The LTD Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974, as amended.

The LTD Plan consists of two parts: (1) a group long-term disability policy (the Group Policy) that pays, after a 180-day elimination period, 60 percent of eligible compensation, which initially consists of base pay, bonus and incentive compensation (Eligible Compensation), capped at \$10,000 per month, to a specific age, which initially is age 65 (the Limiting Age), the entire cost of which will be paid by the Company; and (2) an individual disability insurance policy (the Individual Policy) that pays 75 percent of Eligible Compensation up to \$10,000 per month, to the Limiting Age. We pay 100% of the premium cost required for the Individual Policy for our executive officers, and pay for the first \$1,000 of coverage under the Individual Policy for other participants. The right to receive any payment under the Group Policy will cease upon termination of employment. The Individual Policy will be portable; the participant will be able to continue coverage by paying the full premiums after termination of employment. The total maximum benefit amount for the combination of the two parts of the LTD Plan is \$20,000 per month or \$240,000 per year.

Life Insurance

We pay for life insurance with a payout on death for Mr. Weisz in the amount of two times his base salary (up to a maximum of \$1.5 million), and for each other named executive officer in the amount of such officer's base salary (up to a maximum of \$750,000).

Deferred Compensation

Our named executive officers and approximately 600 other associates are eligible to participate in the Marriott Vacations Worldwide Corporation Deferred Compensation Plan (the "Deferred Compensation Plan").

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We provide the Deferred Compensation Plan because the Compensation Policy Committee wishes to permit certain of our employees to defer the obligation to pay taxes on compensation and bonuses that they are entitled to receive. The Deferred Compensation Plan permits them to do this, while also receiving interest on deferred amounts. We believe that provision of this benefit is important as a retention and recruitment tool as many of the companies with which we compete for executive talent provide a similar plan for their senior employees.

Under the terms of the Deferred Compensation Plan, each participant may elect to defer receipt of up to 80 percent of his or her base salary, bonuses and/or commissions until such future date as he or she elects in accordance with the terms of the Deferred Compensation Plan. The Company may credit participants' accounts with additional amounts, referred to as employer credits, in an amount equal to any matching contributions that the participant did not receive for a year under the 401(k) Plan, or any successor plan thereto, due to the participant's election to defer amounts under the Deferred Compensation Plan. In addition, the Company may, in its sole discretion, credit participants' accounts with additional employer credits which will vest at a rate of 25 percent per year on the first four anniversaries of the date the discretionary employer credit was allocated to the participant's account, provided that the participant remains in continued service with the Company. On a participant's separation from service, unvested discretionary employer credits are generally forfeited. Upon a change in control of the Company, a participant's death, or a participant's retirement after reaching age 55 and completing ten continuous years of service, all employer credits will immediately vest in full.

A participant in the Deferred Compensation Plan may elect to receive his or her deferred amounts and vested employer credits in a lump sum or in installments over five, ten, fifteen or twenty years at either a separation from service or upon any of the first five anniversaries of a separation from service. Alternatively, a participant may elect to receive his or her deferred amounts and vested employer credits in a lump sum in January of a specified year, so long as employer credits are deferred for at least four years and all other amounts are deferred for at least three years. Participants' accounts will be credited with an investment return based on a fixed rate of interest selected by the administrator or determined as if the account were invested in one or more investment funds made available by the administrator of the Deferred Compensation Plan.

The rate of return was set at 5.6 percent for 2014. This rate exceeds 120 percent of the applicable federal long-term rate, and as a result the excess is reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table. The obligations under the Deferred Compensation Plan are not funded by the Company, and therefore participants have an unsecured contractual commitment from us to pay the amounts due under the Deferred Compensation Plan. Because the plan is unsecured, the Compensation Policy Committee believes it is appropriate to provide an appropriate interest rate to compensate for this risk. When payments are due under the Deferred Compensation Plan, the cash will be distributed from our general assets.

Prior to the Spin-Off, our named executive officers and other senior management were able to participate in the Marriott International, Inc. Executive Deferred Compensation Plan (the Marriott Deferred Compensation Plan), and our named executive officers have balances under that plan. Earnings on balances under the Deferred Compensation Plan and the Marriott Deferred Compensation Plan that were credited at a rate of interest in excess of 120 percent of the applicable federal long-term rate are reported in the Summary Compensation Table.

Change in Control Arrangements

Our named executive officers are participants in the Marriott Vacations Worldwide Corporation Change in Control Severance Plan (the Change in Control Plan). Adoption of the Change in Control Plan was intended to maximize shareholder value by retaining key executives through the closing of a Change in Control (as defined below), and to motivate executives to drive business success independent of the possible occurrence of a Change in Control. All of

our executive officers are eligible to participate in the Change in Control Plan. Under the Change in Control Plan, the receipt of benefits is subject to a double trigger, under which benefits, including the acceleration of vesting and/or settlement of equity and cash awards, is available only if the participant s

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employment is terminated in connection with the Change in Control unless the awards are not assumed in connection with the Change in Control, in which case a single trigger applies. A change in control occurs if there is a consummation of certain acquisition, merger, sale, liquidation or similar events or there is a change in a majority of Board members as described in the Change in Control Plan (a Change in Control).

Under the terms of the Change in Control Plan, and subject to the conditions thereof, an executive officer who participates in the Change in Control Plan will receive severance benefits if his or her employment is terminated involuntarily by the Company or any of its affiliates, other than due to Cause, Total Disability (as those terms are defined in the Change in Control Plan), or death, or is terminated by the executive officer for Good Reason (as defined in the Change in Control Plan), in each case, within two years following a Change in Control of the Company (a Termination). Provided that the executive officer executes a waiver and release of claims in favor of the Company, he or she will be entitled to the following severance benefits: (1) a cash severance payment, payable in a lump sum, equal to two times (or three times, in the case of the President and Chief Executive Officer of the Company) the sum of his or her Base Salary and Target Bonus (as those terms are defined in the Change in Control Plan); (2) twenty-four months (or thirty-six months, in the case of the President and Chief Executive Officer of the Company) of Company-subsidized medical, dental and life-insurance coverage for such executive officer and his or her spouse and dependents, at the same benefit level as provided to the executive immediately prior to the Change in Control, or the cash equivalent of the present value of such coverage; (3) any unpaid Base Salary through the Termination date; (4) any unpaid bonus as of the Termination date for any previously-completed fiscal year; (5) a pro-rata bonus for the fiscal year in which the executive officer's employment is terminated; and (6) reimbursement of any unreimbursed expenses properly incurred.

In addition to receipt of the severance benefits described above, upon Termination, an executive officer's stock options and other equity-related compensation will be treated as follows: (1) all restricted stock, RSUs or other share-based awards in a form substantially similar to restricted stock or RSUs will become fully vested as of the Termination date; (2) all unvested or unexercisable options, SARs or other share-based awards in a form substantially similar to options or SARs will become fully vested and exercisable until the earlier of the end of (a) their original term or (b) 12 months (or in the case of certain approved retirees, five years) following the Termination date; and (3) all of the executive officer's other cash performance-based awards or other share-based awards subject to performance-based vesting criteria will be deemed to be fully vested as of the Termination date, and will be paid immediately thereafter based on a presumed achievement of target levels of performance. However, in the event that no substitute awards, shares or other equity interests are available as of the Change in Control, the participant will become fully vested in his or her awards as of the Change in Control date, and all awards will be immediately distributed or paid, or, in the case of options and SARs, will become fully exercisable. In the discretion of the Compensation Policy Committee, distributions may be made in the form of a cash payment equal in amount to the shares distributed or, in the case of options or SARs, the intrinsic value of such awards.

Any payment otherwise due under the Change in Control Plan will be reduced if necessary so that the payment will not constitute a parachute payment under Section 280G of the Internal Revenue Code. The Change in Control Plan does not provide for a gross-up of excise taxes on such parachute payments.

Clawbacks

Under our clawback policy, which is in addition to the clawback provision that applies to equity awards issued under the Stock and Cash Incentive Plan, in the event of certain restatements of our consolidated financial statements, the Board may recoup compensation from a named executive officer who engaged in certain misconduct that contributed to the need for the restatement. Compensation that is based on our achievement of specified financial results, including performance-based equity awards, may be recouped to the extent such compensation would have been lower

had it been determined or calculated based on the financial results as restated. In addition, the Board may recoup any compensation from a named executive officer who has engaged in conduct that violates our Business Conduct Guide or in willful misconduct or fraud that causes harm to the

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Company. Compensation received up to three years prior to the restatement or conduct and after the date of adoption of the policy is subject to potential recoupment under the policy.

Under the Stock and Cash Incentive Plan, we have the authority to limit or eliminate the ability of any executive to exercise options and SARs or to receive a distribution of our common stock under RSUs or other stock awards if the executive engaged in criminal or tortious conduct that was injurious to us or engaged in competition with us.

Stock Ownership Guidelines

Under the stock ownership guidelines adopted by the Compensation Policy Committee, executive officers are to achieve the following levels of ownership of our common stock (as a multiple of base salary rate as of the last day of the fiscal year for which compliance is being evaluated): Chief Executive Officer, five times; Chief Financial Officer, three times; and all other executive officers, two times. Executive officers who served in such capacity at the time of the Spin-Off are expected to achieve compliance by the end of 2016; other executive officers are expected to achieve compliance by the end of their fifth full year of service.

For purposes of determining compliance with the guidelines, the following are considered shares owned by the executive officer: shares owned by the executive officer and his or her spouse; shares held by a trust any beneficiaries of which are the executive officer or his or her family members; shares held jointly with others; restricted stock awards; restricted stock unit awards; share equivalents deferred in accordance with our plans; and, to the extent earned, performance-based awards. Options, stock appreciation rights and, to the extent unearned, performance-based awards, are not considered owned by the executive officer.

The Compensation Policy Committee receives an annual report of the ownership achieved by each executive officer as of the end of the fiscal year, with the achievement level determined by reference to the average of the closing prices of our common stock for the 20 trading days ending on the last trading day of the fiscal year. The Compensation Policy Committee will determine the action to be taken for failure to comply, which action may include (but is not limited to), requiring all or a portion of an executive officer's annual bonus to be paid in shares, or requiring retention of shares received upon exercise of stock options or SARs or of shares earned upon the vesting of performance-based equity awards. As of the end of 2014, each of our named executive officers other than Mr. Miller had already achieved the ownership level they will be required to achieve under the guidelines as of the end of 2016; Mr. Miller had already achieved 96 percent of the applicable ownership level.

Pledging and Derivative Transactions

Our associates and officers are prohibited from including Marriott Vacations Worldwide stock or other securities in a margin account or pledging such securities as collateral for a loan. We also have a policy which prohibits all associates and officers from shorting the sale of our stock or securities, or from buying, selling, writing or otherwise entering into any other derivative transaction related to our stock or securities, including options, warrants, puts, calls, and similar rights.

Compensation Consultant

The Compensation Policy Committee has the sole discretion and adequate funding to retain the services of compensation consultants, independent legal counsel or other advisers. Exequity LLP serves as the independent compensation consultant to the Compensation Policy Committee and advises it on developing director and executive compensation programs. During 2014, Exequity did not perform any services for the Company other than in connection with providing advice and recommendations on executive and director compensation. The Compensation

Policy Committee has reviewed an assessment of any potential conflicts of interest raised by Exequity's work for the Compensation Policy Committee by considering the following six factors: (i) the

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provision of other services to the Company by Exequity; (ii) the amount of fees received from the Company by Exequity, as a percentage of Exequity's total revenue; (iii) the policies and procedures of Exequity that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the Exequity consultant with a member of the Compensation Policy Committee; (v) any Company stock owned by the Exequity consultants; and (vi) any business or personal relationship of the Exequity consultant or Exequity with any of the Company's executive officers, and concluded that there are no such conflicts of interest. Using the same six factors, the Compensation Policy Committee has concluded that Exequity is independent.

Market Data

The Compensation Policy Committee considered the external market pay practices of various companies for purposes of the decisions made with respect to the compensation of our executive officers for 2014. Considerations for developing the peer group included company size as measured by revenues (generally one-half to two times the Company's revenues) and market capitalization (companies with very low or very high market capitalizations relative to the Company were excluded), industry and business model similarities, and trading on a major exchange. The objective was to develop a peer group consisting of 15 to 20 companies with median revenues approximating the Company's revenues.

For 2014, the Compensation Policy Committee retained all members of the 2013 peer group other than Starwood Hotels & Resorts Worldwide, Inc., which was not retained because its size was no longer considered comparable to that of our company. The companies in the 2014 peer group consist of the following:

Peer Group Companies	
Ashford Hospitality Trust, Inc.	Pinnacle Entertainment, Inc.
Boyd Gaming Corporation	PulteGroup, Inc.
Brookdale Senior Living Inc.	Ryman Hospitality Properties, Inc.
Choice Hotels International, Inc.	Strategic Hotels & Resorts, Inc.
Emeritus Corporation	Sunstone Hotel Investors, Inc.
Hyatt Hotels Corporation	Toll Brothers, Inc.
Interval Leisure Group, Inc.	Vail Resorts, Inc.
Isle of Capri Casinos, Inc.	Wyndham Worldwide Corporation

In addition, in part due to the fact that there are very few public company direct competitors, the Compensation Policy Committee determined that it was appropriate to consider the compensation practices of a general industry peer group as an additional reference point for its 2014 executive pay decisions. Two objective criteria were established as the basis for selecting forty companies in the consumer products industry that participated in Equilar's Top 25 database and company revenues. Twenty consumer products companies with revenues greater than the Company's revenues and 20 consumer products companies with revenues less than the Company's revenues were selected. Company names were not a material factor in selecting the companies for participation.

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The companies that met these objective criteria with revenues greater and less than the Company's consist of the following:

Revenues Greater than the Company's Revenues	Revenues Less than the Company's Revenues
Aéropostale, Inc.	Bluegreen Corporation
ANN INC.	Callaway Golf Company
Beam Inc.	Choice Hotels International, Inc.
Carter's, Inc.	Coca-Cola Bottling Co. Consolidated
The Cheesecake Factory Incorporated	Deckers Outdoor Corporation
Chico's FAS, Inc.	DineEquity, Inc.
Chipotle Mexican Grill, Inc.	Dunkin' Brands Group, Inc.
Constellation Brands, Inc.	Fifth & Pacific Companies, Inc.
Domino's Pizza, Inc.	The Finish Line, Inc.
Express, Inc.	Furniture Brands International, Inc.
Fossil, Inc.	Hovnanian Enterprises, Inc.
GNC Holdings, Inc.	Libbey Inc.
J.Crew Group, Inc.	lululemon athletica inc.
Outerwall Inc.	Meritage Homes Corporation
Panera Bread Company	NACCO Industries, Inc.
Pier 1 Imports, Inc.	Oxford Industries, Inc.
Spartan Stores, Inc.	Pinnacle Entertainment, Inc.
Tupperware Brands Corporation	Scientific Games Corporation
Ulta Salon, Cosmetics & Fragrance, Inc.	Select Comfort Corporation
The Wendy's Company	Stage Stores, Inc.

For 2015, the Compensation Policy Committee retained all members of the 2014 peer group and added Diamond Resorts International, Inc. The Compensation Policy Committee will again also consider the compensation practices of a general industry peer group, consisting of forty companies in the consumer products industry that participated in

Equilar's Top 25 database and company revenues (i.e., 20 consumer products companies with revenues greater and 20 consumer products companies with revenues less than the Company's revenues), as an additional reference point for its executive pay decisions.

Tax Considerations

Section 162(m) of the Internal Revenue Code (Section 162(m)) limits a publicly traded company's federal income tax deduction for compensation in excess of \$1 million paid to its Chief Executive Officer and the next three highest-paid executive officers (except for the Chief Financial Officer). However, compensation that satisfies conditions set forth under Section 162(m) to qualify as performance-based compensation is not subject to the limitation. SARs, Performance Units and some other forms of compensation granted under the Stock and Cash Incentive Plan can be designed to qualify as performance-based compensation. We intend to consider the application of the Section 162(m) limits when structuring and granting various elements of compensation. However, we may determine that the value of preserving the ability to structure compensation programs to meet a variety of corporate objectives, such as equity dilution management, workforce planning, customer satisfaction and other non-financial business requirements, justifies the cost of potentially being unable to deduct a portion of the executives' compensation. In addition, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and related regulations, and the fact that such regulations and interpretations may change from time to time (with potentially retroactive effect), no assurance can be given that compensation intended to satisfy the requirements for deductibility under Section 162(m) will in fact do so.

Table of Contents**Risk Considerations**

The Compensation Policy Committee reviewed a risk assessment to determine whether the amount and components of compensation for our employees and the design of compensation programs might create incentives for excessive risk-taking by our employees. The Compensation Policy Committee concluded that our compensation programs do not present risks that are reasonably likely to have a material adverse effect on the Company.

Consideration of Prior Shareholder Advisory Vote to Approve Executive Compensation

At our 2014 Annual Meeting of Shareholders, our shareholders voted with respect to an advisory resolution on our executive compensation, and overwhelmingly approved the compensation of our named executive officers as disclosed in the proxy statement for that Annual Meeting. The Compensation Policy Committee considered this support, as well as the other factors discussed in this Compensation Discussion and Analysis, in retaining the fundamental characteristics of our executive compensation program for 2015.

Employment Agreements

We do not have employment agreements with any of our executive officers.

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

The following Summary Compensation Table shows the compensation we paid in fiscal years 2014, 2013 and 2012 to our Chief Executive Officer, our Chief Financial Officer and our other three most highly compensated executive officers.

Name and Principal Position	Fiscal Year	Salary ⁽¹⁾	Bonus	Stock Awards ⁽²⁾	Option/SAR Awards ⁽²⁾	Non-Equity Incentive Plan Compensation ⁽³⁾	Nonqualified Deferred Compensation Earnings ⁽⁴⁾	Change in Pension Value And	All Other Compensation ⁽⁵⁾	Total
Stephen P. Weisz President and Chief Executive Officer	2014	\$ 775,000	\$	\$ 1,469,995	\$ 630,014	\$ 1,228,848	\$ 25,339	\$ 21,121	\$ 4,150,317	
	2013	764,423		1,330,021	570,011	1,350,000	29,714	8,207	4,052,376	
2012	678,000		929,989		933,010	35,989	7,500	2,584,488		
John E. Geller, Jr. Executive Vice President	2014	450,000		630,021	270,006	535,819	3,181	15,081	1,904,108	
	2013	428,077		490,000	209,992	565,551	3,541	8,110	1,705,271	
2012	403,000		389,988		418,834	4,103	7,500	1,223,425		
and Chief Financial Officer	2014	392,500		350,011	150,013	375,766	9,464	14,172	1,291,926	

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Executive Vice President and Chief Operating Officer	2013	387,308	314,968	135,001	395,408	10,868	8,064	1,251,617
	2012	343,000	165,011		358,588	13,130	7,500	887,229
Elizabeth Kane-Hanan	2014	360,000	297,509	127,491	346,380	3,637	8,155	1,143,172
Executive Vice President and Chief Growth and Inventory Officer	2013	356,731	280,034	119,999	368,472	4,362	8,040	1,137,638
Brian E. Miller	2014	607,500	280,009	119,993	775,514	9,732	17,671	1,810,419
Executive Vice President and Chief Sales and Marketing Officer	2013	601,346	280,034	119,999	661,535	11,297	8,202	1,682,413
	2012	573,000	142,513		530,183	13,340	7,500	1,266,536

(1) This column reports all amounts earned as salary during the fiscal year, whether paid or deferred under employee benefit plans. Our 2013 fiscal year included 53 rather than 52 weeks, resulting in an additional week of salary.

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- (2) The value reported for Stock Awards and Option/SAR awards is the aggregate grant date fair value of the awards granted in the fiscal year as determined in accordance with accounting guidance for share-based payments, although we recognize the expense of the awards for financial reporting purposes over the service period of the awards. The assumptions for making the valuation determinations are set forth in Footnote No. 14, Share-Based Compensation, of the Notes to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended January 2, 2015 (the 2014 Form 10-K). For additional information on these awards, see the Grants of Plan-Based Awards for Fiscal Year 2014 table below. The value reported for the Performance Units is the grant date value based on the probable outcome of the performance conditions as of the grant date. The values of the Performance Units granted in 2014 at the grant date assuming that the maximum level of performance conditions is achieved are: Mr. Weisz, \$1,260,040; Mr. Geller, \$540,018; Mr. Cunningham, \$300,010; Ms. Kane-Hanan, \$255,008; and Mr. Miller, \$240,008. The values of the Performance Units granted in 2013 at the grant date assuming that the maximum level of performance conditions is achieved are: Mr. Weisz, \$1,140,018; Mr. Geller, \$420,012; Mr. Cunningham, \$269,972; Ms. Kane-Hanan, \$240,030; and Mr. Miller, \$240,030. The values of the Performance Units granted in 2012 at the grant date assuming that the maximum level of performance conditions is achieved are: Mr. Weisz, \$1,859,978; Mr. Geller, \$779,976; Mr. Cunningham, \$330,022; and Mr. Miller, \$285,026.
- (3) This column reports all amounts earned under the bonus plan and sales incentive plan in effect for such fiscal year, whether paid or deferred under other employee benefit plans. Amounts earned under a bonus plan during a fiscal year were paid in the first quarter of the following fiscal year.
- (4) The values reported equal the excess of the return on amounts credited to accounts in the Deferred Compensation Plan and the Marriott Deferred Compensation Plan at the annually designated rate of return over 120 percent of the applicable federal long-term rate, as discussed below under Nonqualified Deferred Compensation for Fiscal Year 2014.
- (5) All Other Compensation for 2014 consists of company contributions to the 401(k) Plan (\$7,800 for each named executive officer); contributions to the Deferred Compensation Plan (\$11,827 for Mr. Weisz; \$6,854 for Mr. Geller; \$5,990 for Mr. Cunningham; and \$9,273 for Mr. Miller); and premiums for an insurance policy on the life of each named executive officer (\$1,494 for Mr. Weisz; \$427 for Mr. Geller; \$382 for Mr. Cunningham; \$355 for Ms. Kane-Hanan; and \$598 for Mr. Miller).

Grants of Plan-Based Awards for Fiscal Year 2014

The following table shows the plan-based awards granted to the named executive officers in 2014.

Name	Award Type ⁽¹⁾	Grant Date ⁽²⁾	Approval Date ⁽²⁾	Threshold \$	Target \$	Maximum \$	Threshold #	Target #	Maximum #	All Other Stock Awards: Number of Shares	All Options/SAR Awards: Number of Underlying SARs	Exercise or Base Price ⁽⁴⁾	Grant Date Fair Value of Stock and SAR Awards
Weisz	Bonus RSUs	3/03/2014	2/13/2014	\$	\$ 775,000	\$ 1,550,000				16,127		\$	\$ 839,000

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	SARs	3/03/2014	2/13/2014					22,519	52.09	630,
	Performance	3/03/2014	2/13/2014			12,096	24,192			630,
Miller	Bonus			337,500	675,000					
	RSUs	3/03/2014	2/13/2014					6,912		360,
	SARs	3/03/2014	2/13/2014					9,651	52.09	270,
	Performance	3/03/2014	2/13/2014			5,184	10,368			270,
Birmingham	Bonus			235,500	471,000					
	RSUs	3/03/2014	2/13/2014					3,840		200,
	SARs	3/03/2014	2/13/2014					5,362	52.09	150,
	Performance	3/03/2014	2/13/2014			2,880	5,760			150,
De-Hanan	Bonus			216,000	432,000					
	RSUs	3/03/2014	2/13/2014					3,264		170,
	SARs	3/03/2014	2/13/2014					4,557	52.09	127,
	Performance	3/03/2014	2/13/2014			2,448	4,896			127,
Miller	Bonus			364,500	729,000					
	Incentive				303,750					
	RSUs	3/03/2014	2/13/2014					3,072		160,
	SARs	3/03/2014	2/13/2014					4,289	52.09	119,
	Performance	3/03/2014	2/13/2014			2,304	4,608			120,

- (1) Bonus refers to our Bonus Plan in which our named executive officers participated. RSUs, SARs and Performance refers to RSUs, SARs and Performance Units, respectively, granted under the Stock and Cash Incentive Plan. Incentive refers to the Sales Incentive Plan in which Mr. Miller participated.

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- (2) Grant Date applies to equity awards reported in the Estimated Possible Payouts Under Equity Incentive Plan Awards, All Other Stock Awards and All Other Option/SAR Awards columns. The Compensation Policy Committee approved grants of RSUs, SARs and Performance Units for the named executive officers on February 13, 2014, and the grant date of these awards was March 3, 2014.
- (3) The amounts reported in these columns include potential payouts corresponding to the achievement of the target and maximum performance objectives under the Bonus Plan and Sales Incentive Plan.
- (4) The awards were granted with an exercise or base price equal to the average of the high and low stock price on the NYSE on the date of grant.
- (5) The value reported for Equity Incentive Plan Awards, Stock Awards and Option/SAR Awards is the aggregate grant date fair value of the awards granted in 2014 as determined in accordance with accounting standards for share-based payments, although the expense of the awards is recognized for financial reporting purposes over the service period of the awards based on, with respect to the Performance Units, the probable outcome of the performance conditions. The assumptions for making the valuation determinations are set forth in Footnote No. 14, Share-Based Compensation, of the Notes to our annual Consolidated Financial Statements included in the 2014 Form 10-K.

The Grants of Plan-Based Awards table reports the potential dollar value of cash incentive awards under the Bonus Plan and/or Sales Incentive Plan at their threshold, target and maximum achievement levels, and the number and grant date fair value of RSUs, SARs and Performance Units granted under the Stock and Cash Incentive Plan to each named executive officer during the 2014 fiscal year. For cash incentives, this table reports the range of potential amounts that could have been earned by the executive under the Bonus Plan and/or Sales Incentive Plan for 2014, whereas the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table reports the actual value earned by the executive for 2014.

Annual RSU and SAR grants under the Stock and Cash Incentive Plan typically vest in four equal annual increments beginning a year after the grant date, contingent on continued employment. Even when vested, an executive could lose the right to exercise or receive a distribution of any outstanding stock awards if the executive terminated employment due to serious misconduct as defined in the Stock and Cash Incentive Plan, or if it is determined that the executive has engaged in competition or has engaged in criminal conduct or other behavior that was actually or potentially harmful. RSU award vesting is not accelerated upon retirement. These awards do not accrue or pay cash dividends and do not bear voting rights until they vest (in the case of RSUs) or are exercised (in the case of SARs) and shares are issued to the grantee.

Performance Units represent the right to receive shares of our common stock at the end of a performance period, which with respect to the Performance Units granted in 2014 began January 4, 2014 and will end on December 30, 2016. The number of shares that will be received following the end of the performance period will be based on the Company's cumulative achievement over the period with respect to specified performance objectives and can range from zero to two times the number of Performance Units granted. Performance Units generally will not vest if the named executive officer does not continue to be an active employee of the Company during the entire period from the grant date through the performance period or engages in competition or acts that are or potentially are injurious to the Company's operations, financial condition or business reputation; the named executive officers are also prohibited from soliciting any of our employees to leave our employment during the period from the grant date until the first anniversary of the termination of the officer's employment for any reason.

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The following table shows information about outstanding options, SARs, RSUs and Performance Units of our common stock and Marriott International common stock as of January 2, 2015, our fiscal year-end. The market values are based on the closing price of our common stock or Marriott International's common stock, as the case may be, on the NYSE on January 2, 2015, the last trading day of our fiscal year, which was \$74.33 and \$77.75, respectively.

Name	Grant Date ⁽¹⁾	Award Type ⁽²⁾	Option Awards				Stock Awards			
			Number of Securities Underlying Unexercised Options/SARs Exercisable/ Unexercisable ⁽³⁾	Option/ SAR Exercise Price	Option/ SAR Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)	
Weisz		MAR RSUs	(4)		\$		4,592.0	\$ 357,028		\$
		VAC RSUs	(4)				47,602.2	3,538,272		
	02/19/2008	VAC SARs		2,139	20.41	02/19/2018				
	08/07/2008	VAC SARs		3,252	15.77	08/07/2018				
	02/16/2010	VAC SARs		3,634	15.50	02/16/2020				
	12/15/2011	VAC SARs		79,896	26,633	18.52	12/15/2021			
	02/25/2013	VAC SARs		6,573	19,719	39.93	02/25/2023			
	03/03/2014	VAC SARs		22,519	52.09	03/03/2024				
	02/25/2013	Performance	(5)						28,554 ⁽⁶⁾	2,122,419 ⁽⁷⁾
03/03/2014	Performance	(8)						24,192 ⁽⁹⁾	1,798,191 ⁽¹⁰⁾	
Geller		MAR RSUs	(11)				2,449.0	190,410		
		VAC RSUs	(11)				19,436.9	1,444,745		
	12/15/2011	VAC SARs		18,505	11,169	18.52	12/15/2021			
	02/25/2013	VAC SARs		2,421	7,265	39.93	02/25/2023			
	03/03/2014	VAC SARs		9,651	52.09	03/03/2024				
	02/25/2013	Performance	(5)						10,520 ⁽⁶⁾	781,952 ⁽⁷⁾
03/03/2014	Performance	(8)						10,368 ⁽⁹⁾	770,653 ⁽¹⁰⁾	
Birmingham		MAR RSUs	(12)				858.0	66,710		
		VAC RSUs	(12)				10,276.8	763,875		
	02/17/2011	MAR SARs		2,220	38.49	02/17/2021				

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	02/19/2008	VAC SARs	1,558		20.41	02/19/2018			
	08/07/2008	VAC SARs	964		15.77	08/07/2018			
	02/16/2010	VAC SARs	1,090		15.50	02/16/2020			
	02/17/2011	VAC SARs	666	222	23.46	02/17/2021			
	12/15/2011	VAC SARs	14,175	4,725	18.52	12/15/2021			
	02/25/2013	VAC SARs	1,556	4,671	39.93	02/25/2023			
	03/03/2014	VAC SARs		5,362	52.09	03/03/2024			
	02/25/2013	Performance	(5)					6,762 ⁽⁶⁾	502,619 ⁽⁷⁾
	03/03/2014	Performance	(8)					5,760 ⁽⁹⁾	428,141 ⁽¹⁰⁾
De-Hanan		MAR RSUs	(13)					1,715.0	133,341
		VAC RSUs	(13)					9,006.5	669,453
	02/19/2008	MAR SARs	7,800		33.50	02/19/2018			
	08/07/2008	MAR SARs	5,640		25.88	08/07/2018			
	02/19/2008	VAC SARs	780		20.41	02/19/2018			
	08/07/2008	VAC SARs	964		15.77	08/07/2018			
	12/15/2011	VAC SARs	12,242	4,081	18.52	12/15/2021			
	02/25/2013	VAC SARs	1,383	4,152	39.93	02/25/2023			
	03/03/2014	VAC SARs		4,557	52.09	03/03/2024			
	02/25/2013	Performance	(5)					6,012 ⁽⁶⁾	446,872 ⁽⁷⁾
	03/03/2014	Performance	(8)					4,896 ⁽⁹⁾	363,920 ⁽¹⁰⁾
Miller		MAR RSUs	(14)					1,715.0	133,341
		VAC RSUs	(14)					8,814.5	655,182
	08/07/2008	VAC SARs	1,084		15.77	08/07/2018			
	12/15/2011	VAC SARs	12,242	4,081	18.52	12/15/2021			
	02/25/2013	VAC SARs	1,383	4,152	39.93	02/25/2023			
	03/03/2014	VAC SARs		4,289	52.09	03/03/2024			
	02/25/2013	Performance	(5)					6,012 ⁽⁶⁾	446,872 ⁽⁷⁾
	03/03/2014	Performance	(8)					4,608 ⁽⁹⁾	342,513 ⁽¹⁰⁾

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- (1) VAC RSUs, VAC SARs, and Performance refer to RSUs, SARs and Performance Units, respectively, issued under the Stock and Cash Incentive Plan. MAR RSUs and MAR SARs refer to RSUs and SARs, respectively, issued under the Marriott International Stock Plan. VAC RSUs and VAC SARs with a grant date prior to November 21, 2011 are Distribution Awards (as defined below) that were granted effective November 21, 2011 and relate to MAR RSUs and MAR SARs, respectively, with the grant dates indicated. The number of shares subject to SARs, options, and RSUs and the exercise prices of SARs and options reflect adjustments pursuant to the terms of the applicable plans and awards to reflect the Spin-Off. The awards retained the original terms and conditions after conversion.
- (2) Effective as of the completion of the Spin-Off, all holders of Marriott International RSUs on the November 10, 2011 record date for the Spin-Off received RSUs under the Stock and Cash Incentive Plan in an amount consistent with the Distribution Ratio of one share of our common stock distributed in the Spin-Off for every ten shares of Marriott International common stock, with terms and conditions substantially similar to the terms and conditions applicable to the Marriott International RSUs. Also, effective as of the completion of the Spin-Off, the holders of Marriott International stock options and SARs on the record date received stock options and SARs under the Stock and Cash Incentive Plan, in an amount consistent with the Distribution Ratio, with terms and conditions substantially similar to the terms and conditions applicable to the Marriott International stock options and SARs. We refer to the awards made pursuant to the Stock and Cash Incentive Plan with respect to these Marriott International awards as the Distribution Awards. The adjusted exercise price of each converted award was determined in order to preserve the aggregate intrinsic value of the stock options and SARs held by such persons. The exercise prices of Marriott International awards were adjusted based on the proportion of the Marriott International ex-distribution closing stock price to the sum of the total of the Marriott International ex-distribution and Marriott Vacations Worldwide when issued closing stock prices on the distribution date. The per share exercise price of each such Stock and Cash Incentive Plan converted award is equal to the proportion of the Marriott Vacations Worldwide when issued closing stock price on the distribution date to the sum of the total of the Marriott International ex-distribution and Marriott Vacations Worldwide when issued closing stock prices on the distribution date. With respect to each of the awards described above, after November 21, 2011, service with Marriott International and/or Marriott Vacations Worldwide will be treated as continuous service with respect to the awards. Thus, the vesting, exercisability and forfeiture of the awards generally will be determined taking into account all such service, including eligibility to be considered an approved retiree.
- (3) SARs vest and become exercisable in equal annual increments beginning a year after the grant date.
- (4) 4,592 MAR RSUs and 9,249.2 VAC RSUs vested on February 15, 2015; 16,739 VAC RSUs vest on December 15, 2015; 8,791 VAC RSUs vest on February 15, 2016; 8,791 VAC RSUs vest on February 15, 2017; and 4,032 VAC RSUs vest on February 15, 2018.
- (5) With respect to Performance Units granted on February 25, 2013, the number of shares that the named executive officer will receive will be determined after end of the performance period on January 1, 2016 and will be based upon the achievement of specified levels of performance during that performance period.
- (6) Represents the maximum number of shares of our common stock that can be issued after the end of the performance period on January 1, 2016, based on Marriott Vacations Worldwide's achievement of certain performance targets discussed above. The number of shares of our common stock that can be issued ranges from 0 shares to 28,554 shares for Mr. Weisz (14,277 shares for performance at target level), 10,520 shares for Mr. Geller (5,260 shares for performance at target level), 6,762 shares for Mr. Cunningham (3,381 shares for performance at target level), 6,012 shares for Ms. Kane-Hanan (3,006 shares for performance at target level), and 6,012 shares for Mr. Miller (3,006 shares for performance at target level).
- (7) Calculated by multiplying \$74.33, the closing market price of our common stock on January 2, 2015, by the number of Performance Units granted, assuming achievement at the maximum level of performance. The market value of the shares of our common stock that can be issued on the vesting date, based on Marriott Vacation

Worldwide's achievement of certain performance targets discussed above, ranges from \$0 (if the minimum number of shares, 0 shares, were to be received) to \$2,122,419 for Mr. Weisz (\$1,061,209 for performance at target level), \$781,952 for Mr. Geller (\$390,976 for performance at target level), \$502,619 for Mr. Cunningham (\$251,310 for performance at target level), \$446,872 for Ms. Kane-Hanan (\$223,436 for performance at target level), and \$446,872 for Mr. Miller (\$223,436 for performance at target level).

- (8) With respect to Performance Units granted on March 3, 2014, the number of shares that the named executive officer will receive will be determined after end of the performance period on December 30, 2016 and will be based upon the achievement of specified levels of performance during that performance period.
- (9) Represents the maximum number of shares of our common stock that can be issued after the end of the performance period on December 30, 2016, based on Marriott Vacations Worldwide's achievement of certain performance targets discussed above. The number of shares of our common stock that can be issued ranges from 0 shares to 24,192 shares for Mr. Weisz (12,096 shares for performance at target level), 10,368 shares for Mr. Geller (5,184 shares for performance at

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target level), 5,760 shares for Mr. Cunningham (2,880 shares for performance at target level), 4,896 shares for Ms. Kane-Hanan (2,448 shares for performance at target level), and 4,608 shares for Mr. Miller (2,304 shares for performance at target level).

- (10) Calculated by multiplying \$74.33, the closing market price of our common stock on January 2, 2015, by the number of Performance Units granted, assuming achievement at the maximum level of performance. The market value of the shares of our common stock that can be issued on the vesting date, based on Marriott Vacation Worldwide's achievement of certain performance targets discussed above, ranges from \$0 (if the minimum number of shares, 0 shares, were to be received) to \$1,798,191 for Mr. Weisz (\$899,096 for performance at target level), \$770,653 for Mr. Geller (\$385,327 for performance at target level), \$428,141 for Mr. Cunningham (\$214,070 for performance at target level), \$363,920 for Ms. Kane-Hanan (\$181,960 for performance at target level), and \$342,513 for Mr. Miller (\$171,256 for performance at target level).
- (11) 2,449 MAR RSUs and 3,725.9 VAC RSUs vested on February 15, 2015; 7,020 VAC RSUs vest on December 15, 2015; 3,481 VAC RSUs vest on February 15, 2016; 3,482 VAC RSUs vest on February 15, 2017; and 1,728 VAC RSUs vest on February 15, 2018.
- (12) 858 MAR RSUs and 2,172.8 VAC RSUs vested on February 15, 2015; 2,970 VAC RSUs vest on December 15, 2015; 2,087 VAC RSUs vest on February 15, 2016; 2,087 VAC RSUs vest on February 15, 2017; and 960 VAC RSUs vest on February 15, 2018.
- (13) 1,715 MAR RSUs and 1,989.5 VAC RSUs vested on February 15, 2015; 2,565 VAC RSUs vest on December 15, 2015; 1,818 VAC RSUs vest on February 15, 2016; 1,818 VAC RSUs vest on February 15, 2017; and 816 VAC RSUs vest on February 15, 2018.
- (14) 1,715 MAR RSUs and 1,941.5 VAC RSUs vested on February 15, 2015; 2,565 VAC RSUs vest on December 15, 2015; 1,770 VAC RSUs vest on February 15, 2016; 1,770 VAC RSUs vest on February 15, 2017; and 768 VAC RSUs vest on February 15, 2018.

Option Exercises and Stock Vested During Fiscal Year 2014

The following table shows information about option and SAR exercises and vesting of RSUs during fiscal year 2014.

	Option/SAR Awards		Stock Awards	
	Number of Shares		Number of Shares	
	Acquired or Exercised	Value Realized on Exercise ⁽¹⁾	Acquired on Vesting	Value Realized on Vesting ⁽²⁾
S. Weisz ⁽³⁾	58,340.0	\$ 3,308,769	95,520.6	\$ 6,749,180
J. Geller ⁽⁴⁾	11,208.0	820,950	42,099.0	2,935,302
R. Cunningham ⁽⁵⁾	24,986.0	1,831,912	17,748.1	1,238,316
L. Kane-Hanan ⁽⁶⁾			17,731.0	1,192,767
B. Miller ⁽⁷⁾	5,611.0	300,892	17,628.7	1,187,517

(1) The value realized upon exercise is based on the current trading price at the time of exercise.

(2) For RSUs, the value realized upon vesting is based on the average of the high and low stock price on the vesting date. For the Performance Units, the value realized upon vesting is based on the closing price of our common stock on the vesting date.

(3)

Mr. Weisz acquired 24,600 shares of Marriott International common stock upon the exercise of options and 33,740 shares of Marriott International common stock upon the exercise of 63,005 SARs. He acquired 22,304.6 shares of Marriott Vacations Worldwide common stock and 8,066 shares of Marriott International common stock upon vesting of RSUs. He acquired 65,150 shares upon the vesting of the Performance Units granted on March 16, 2012.

- (4) Mr. Geller acquired 11,208 shares of Marriott Vacations Worldwide upon the exercise of 15,000 SARs. He acquired 9,318 shares of Marriott Vacations Worldwide common stock and 5,460 shares of Marriott International common stock upon vesting of RSUs. He acquired 27,321 shares upon the vesting of the Performance Units granted on March 16, 2012.
- (5) Mr. Cunningham acquired 24,986 shares of Marriott International common stock upon the exercise of 42,784 SARs. He acquired 4,287.1 shares of Marriott Vacations Worldwide common stock and 1,901 shares of Marriott International common stock upon vesting of RSUs. He acquired 11,560 shares upon the vesting of the Performance Units granted on March 16, 2012.
- (6) Ms. Kane-Hanan acquired 3,947 shares of Marriott Vacations Worldwide common stock and 3,800 shares of Marriott International common stock upon vesting of RSUs. She acquired 9,984 shares upon the vesting of the Performance Units granted on March 16, 2012.
- (7) Mr. Miller acquired 5,611 shares of Marriott International common stock upon the exercise of 10,844 SARs. He acquired 3,937.7 shares of Marriott Vacations Worldwide common stock and 3,707 shares of Marriott International common stock upon vesting of RSUs. He acquired 9,984 shares upon the vesting of the Performance Units granted on March 16, 2012.

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The following table discloses contributions, earnings, distributions and balances under the Deferred Compensation Plan and the Marriott Deferred Compensation Plan for the 2014 fiscal year. Our executives ceased to be eligible to make further contributions under the Marriott Deferred Compensation Plan as of the Spin-Off. We have agreed to reimburse Marriott International for any payments made to our employees under the Marriott Deferred Compensation Plan. Unless otherwise indicated, amounts relate to contributions, earnings, distributions and balances under the Deferred Compensation Plan.

Name	Plan ⁽¹⁾	Executive Contributions in Last FY ⁽²⁾	Company Contributions in Last FY ⁽³⁾	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE ⁽⁴⁾
S. Weisz	DCP	\$ 55,192	\$ 11,827	\$ 1,534 ⁽⁵⁾	\$	\$ 56,727 ⁽⁶⁾
	MDCP			89,962 ⁽⁵⁾		1,819,895 ⁽⁷⁾
J. Geller	DCP	22,846	6,854	634 ⁽⁵⁾		23,480 ⁽⁶⁾
	MDCP			10,718 ⁽⁵⁾		216,778 ⁽⁷⁾
R. Cunningham	DCP	39,933	5,990	1,110 ⁽⁵⁾		41,043 ⁽⁶⁾
	MDCP			32,899 ⁽⁵⁾		665,472 ⁽⁷⁾
				15,133 ⁽⁸⁾		41,229 ⁽⁹⁾
L.Kane-Hanan	MDCP			13,201 ⁽⁵⁾		267,013 ⁽⁷⁾
B. Miller	DCP	30,909	9,273	859 ⁽⁵⁾		31,768 ⁽⁶⁾
	MDCP			34,198 ⁽⁵⁾		691,746 ⁽⁷⁾

(1) DCP and MDCP refer to the Deferred Compensation Plan and the Marriott Deferred Compensation Plan, respectively.

(2) The amounts in this column consist of elective deferrals by the named executive officers of salary for the 2014 fiscal year under the Deferred Compensation Plan. All of these amounts are attributable to 2014 salary that is reported in the Summary Compensation Table.

(3) The amounts in this column consist of company contributions that were accrued during 2014 and credited to the participants' accounts in 2015 under the Deferred Compensation Plan. All of these amounts are included in the Summary Compensation table in the All Other Compensation column for 2014.

(4) This column includes amounts in each named executive officer's total Deferred Compensation Plan account balance as of the last day of the 2014 fiscal year, and do not take into account the amounts in the Company Contributions in Last Fiscal Year column in the table above that were accrued during fiscal 2014 but credited to the participants' accounts in 2015.

(5) These amounts consist of the aggregate notional earnings during 2014 of each named executive officer's account in the Deferred Compensation Plan or the Marriott Deferred Compensation Plan. Such earnings are reported in the Summary Compensation Table only to the extent that they were credited at a rate of interest in excess of 120 percent of the applicable federal long-term rate. The following table indicates the portion of each executive's aggregate earnings during 2014 that is reported in the Summary Compensation Table.

Name	Amounts Included in the Summary Compensation Table for 2014	
	Deferred Compensation Plan	Marriott Deferred Compensation Plan
S. Weisz	\$ 554	\$ 24,785
J. Geller	229	2,953
R. Cunningham	401	9,063
L. Kane-Hanan		3,637
B. Miller	310	9,421

- (6) None of these amounts were previously reported in the Summary Compensation Table of previously filed proxy statements or in a Summary Compensation Table included in a Form 10 or Annual Report on Form 10-K.
- (7) Of these amounts, the following were previously reported in the Summary Compensation Table of previously filed proxy statements or in a Summary Compensation Table included in a Form 10 or Annual Report on Form 10-K: Mr. Weisz, \$136,551; Mr. Geller, \$70,852; Mr. Cunningham, \$62,857; Ms. Kane-Hanan, \$4,362; and Mr. Miller, \$139,288.

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- (8) This amount consists of total of: the increase in the value of 48.4 shares of Marriott Vacations Worldwide deferred bonus stock held by Mr. Cunningham during 2014 based on the difference between the Company's 2013 fiscal year-end closing stock price of \$52.66 and its 2014 fiscal year-end closing stock price of \$74.33; and the increase in the value of 484 shares of Marriott International deferred bonus stock held by Mr. Cunningham during 2014 based on the difference between Marriott International's 2013 fiscal year end closing price of \$48.65 and its 2014 fiscal year-end closing stock price of \$77.75. All of the shares of deferred bonus stock are fully vested and will be distributed to Mr. Cunningham in ten annual installments commencing on the January 2 following the date on which he ceases being employed by the Company.
- (9) This amount consists of the value of: 48.4 shares of Marriott Vacations Worldwide deferred bonus stock held by Mr. Cunningham based on the Company's 2014 fiscal year-end closing stock price of \$74.33 and the value of 484 shares of Marriott International deferred bonus stock held by Mr. Cunningham based on Marriott International's fiscal year-end closing stock price of \$77.75.

For 2014, we credited participant plan accounts with a rate of return of 5.6 percent. For 2014, Marriott International credited participant plan accounts with a rate of return of 5.2 percent for 2014, determined largely based on Marriott International's estimated long-term cost of borrowing. To the extent that each of these rates exceeds 120 percent of the applicable federal long-term rate, the excess is reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

The terms of the Deferred Compensation Plan are described above under Deferred Compensation Plan. Under the Marriott Deferred Compensation Plan, participants could defer the receipt of up to 80 percent of their salary, bonus and/or commissions, which amounts were immediately vested. In addition, the named executive officers were eligible to receive a discretionary match which, as with any other discretionary company contribution, for years commencing with 2009, was vested when made. A discretionary match, as well as any other discretionary company contribution, made for any year prior to 2009 vested 25 percent per year for each year that the executive remained employed by Marriott International following the date the company match was allocated to the executive's plan account, or if sooner, in full upon a change in control or approved retirement, death or disability. Marriott International also could make an annual discretionary matching contribution to the named executive officers' Marriott Deferred Compensation Plan accounts, designed to make up for the approximate amount of matching contributions that would have been made under its 401(k) plan but for the application of certain nondiscrimination testing and annual compensation limitations under the Internal Revenue Code. Marriott International also could make an additional discretionary contribution to the named executive officers' Marriott Deferred Compensation Plan accounts based on subjective factors such as individual performance, key contributions and retention needs. Because our executives ceased to be eligible to make further contributions under the Marriott Deferred Compensation Plan as of the Spin-Off, no match or discretionary company contribution was received by any of the named executive officers for 2014.

Participants can receive a distribution of the vested portion of their Marriott Deferred Compensation Plan accounts upon termination of employment (including retirement or disability) or, in the case of deferrals by the executive (and related earnings), upon a specified future date while still employed (an in-service distribution), as elected by the executive. Each plan year's deferrals have a separate distribution election. Distributions payable upon termination of employment are payable as (i) a lump sum cash payment; (ii) a series of annual cash installments payable over a designated term not to exceed twenty years; or (iii) five annual cash payments beginning on the sixth January following termination of employment, in each case as elected by the executive. In-service distributions are payable as a single lump sum cash payment or annual cash payments over a term of one to five years, in either case beginning not earlier than the third calendar year following the calendar year of the deferral, as elected by the executive. However, in the case of amounts of \$10,000 or less, or when no election regarding the form of distribution was made, the distribution is made in a lump sum. If the executive is a specified employee for purposes of Section 409A of the Internal Revenue Code, any distribution payable on account of termination of employment would not occur until after six months following termination of employment. As a result of the Spin-Off, none of our named executive officers

are or will be specified employees of Marriott International. The Spin-Off did not by itself trigger a distribution upon termination of employment under the Marriott Deferred Compensation Plan, and continued employment with the Company is treated as employment for purposes of the Marriott Deferred Compensation Plan.

Table of Contents**Potential Payments Upon Termination or Change in Control**

The following information relates to benefits that would have been paid or payable had a change in control occurred and/or a named executive officer terminated employment with us as of January 2, 2015. The table below reflects the intrinsic value of unvested stock awards, unvested Deferred Compensation Plan accounts and incentive payments under the Bonus Plan and Sales Incentive Plan that each named executive officer would have received upon retirement, disability, death, resignation, involuntary termination of employment, or a change in control as of January 2, 2015 (based on our fiscal year-end closing stock price of \$74.33 and Marriott International's fiscal year-end closing stock price of \$77.75).

Name	Plan	Retirement ⁽¹⁾	Disability ⁽²⁾	Death ⁽²⁾	Termination	
					Resignation or Involuntary Termination ⁽³⁾	Following Change In Control ⁽⁴⁾
S. Weisz	Cash Severance	\$	\$	\$	\$	\$ 4,650,000
	Annual Bonus	1,228,848	1,228,848	1,228,848		775,000
	Other Benefits ⁽⁵⁾					35,491
	Marriott Vacations Worldwide Equity ⁽⁶⁾	7,900,243	8,114,527	8,114,527		8,164,332
	Marriott International Equity ⁽⁶⁾	357,028	357,028	357,028		
	Deferred Compensation Plan ⁽⁷⁾	11,827		11,827		11,827
	Total	\$ 9,497,946	\$ 9,700,403	\$ 9,712,230	\$	\$ 13,636,650
J. Geller	Cash Severance	\$	\$	\$	\$	\$ 1,575,000
	Annual Bonus		535,819	535,819		337,500
	Other Benefits ⁽⁵⁾					29,387
	Marriott Vacations Worldwide Equity ⁽⁶⁾		3,268,534	3,268,534		3,309,029
	Marriott International Equity ⁽⁶⁾		190,410	190,410		
	Deferred Compensation Plan ⁽⁷⁾			6,854		6,854
	Total	\$	\$3,994,763	\$4,001,617	\$	\$ 5,257,770
R. Cunningham	Cash Severance	\$	\$	\$	\$	\$ 1,256,000
	Annual Bonus	375,766	375,766	375,766		235,500
	Other Benefits ⁽⁵⁾					29,297
	Marriott Vacations Worldwide Equity ⁽⁶⁾	1,720,945	1,771,968	1,771,968		1,784,234
	Marriott International Equity ⁽⁶⁾	153,857	153,857	153,857		
	Deferred Compensation Plan ⁽⁷⁾	5,990		5,990		5,990
	Total	\$ 2,256,558	\$ 2,301,591	\$ 2,307,581	\$	\$ 3,311,021
L. Kane-Hanan	Cash Severance	\$	\$	\$	\$	\$ 1,152,000

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Annual Bonus		346,380	346,380	216,000
Other Benefits ⁽⁵⁾				18,696
Marriott Vacations Worldwide Equity ⁽⁶⁾		1,539,350	1,539,350	1,546,830
Marriott International Equity ⁽⁶⁾		133,341	133,341	
Deferred Compensation Plan ⁽⁷⁾				

Total \$ \$ 2,019,171 \$ 2,019,171 \$ \$ 2,933,526

B. Miller	Cash Severance	\$	\$	\$	\$	1,944,000
	Annual Bonus		775,514	775,514		364,500
	Other Benefits ⁽⁵⁾					29,974
	Marriott Vacations Worldwide Equity ⁽⁶⁾		1,512,797	1,512,797		1,515,893
	Marriott International Equity ⁽⁶⁾		133,341	133,341		
	Deferred Compensation Plan ⁽⁷⁾			9,273		9,273
	Total	\$	\$ 2,421,652	\$ 2,430,925	\$	\$

- (1) Each of Mr. Weisz and Mr. Cunningham is eligible for approved retiree status under each of the Deferred Compensation Plan, the Stock and Cash Incentive Plan and the Marriott International Stock Plan and as a result would receive the benefits shown in this table under such plans as well as a pro-rata bonus based on actual performance under the 2014 Bonus Plan if he ceased being employed by the Company for any reason on January 2, 2015 and satisfied the requirements of such plans for qualification as an approved retiree. The amount shown with respect to annual bonus is the actual payout amount for 2014.
- (2) Upon death or disability, the named executive officer would be entitled to a pro-rata bonus based on actual performance under the 2014 Bonus Plan, and all unvested benefits under each of the Stock and Cash Incentive Plan and the Marriott International Stock Plan would fully vest. The amount shown with respect to annual bonus for each named executive officer is the actual payout amount for 2014.

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- (3) Upon resignation or termination with cause, no benefits would be payable. In addition, there are no contractual rights providing for payment upon a termination without cause other than in connection with a change in control. Any such payments would be based upon negotiation at the time of such termination.
- (4) As described above under Change in Control Arrangements, a named executive officer who participates in the Change in Control Plan and who executes a waiver and release of claims in favor of the Company will receive the following severance benefits if his or her employment is terminated involuntarily by the Company or any of its affiliates, other than due to Cause, Total Disability, or death, or is terminated by the named executive officer for Good Reason, in each case, within two years following a Change in Control of the Company: (1) a cash severance payment, payable in a lump sum, equal to two times (or three times, in the case of the President and Chief Executive Officer of the Company) the sum of his or her Base Salary and Target Bonus; (2) twenty-four months (or thirty-six months, in the case of the President and Chief Executive Officer of the Company) of Company-subsidized medical, dental and life-insurance coverage for such named executive officer and his or her spouse and dependents, at the same benefit level as provided to the executive immediately prior to the Change in Control, or the cash equivalent of the present value of such coverage (Benefit Coverage); (3) any unpaid Base Salary through the Termination date (Unpaid Base Salary); (4) any unpaid bonus as of the Termination date for any previously-completed fiscal year (Unpaid Bonus); (5) a pro-rata bonus for the fiscal year in which the named executive officer's employment is terminated; (6) reimbursement of any unreimbursed expenses properly incurred; (7) vesting of all restricted stock, RSUs or other share-based awards in a form substantially similar to restricted stock or RSUs as of the Termination date; (8) vesting of all unvested or unexercisable options, SARs or other share-based awards in a form substantially similar to options or SARs, which will be exercisable until the earlier of the end of their original term or 12 months (or in the case of certain approved retirees, five years) following the Termination date; and (9) the vesting and immediate payment of all of other cash performance-based awards or other share-based awards subject to performance-based vesting criteria based on a presumed achievement of target levels of performance. No amounts are shown for Unpaid Base Salary or Unpaid Bonus as there would be no such amounts unpaid on the last day of the fiscal year. Certain terms in this footnote are defined above under Change in Control Arrangements.
- (5) Consists of the Benefit Coverage payable under the Change in Control Plan.
- (6) The value of Performance Units is calculated by assuming achievement at the maximum level of performance. Upon retirement or permanent disability (as defined in the pertinent plan), a named executive officer may continue to vest in and receive distributions under outstanding stock awards (with the exception of certain supplemental RSU awards granted by Marriott International after 2005) for the remainder of their vesting period and may exercise options and SARs for up to five years in accordance with the awards' original terms. Annual stock awards granted by Marriott International after 2005 and by us provide that if the executive retires within one year after the grant date, the executive forfeits a portion of the stock award proportional to the number of days remaining within that one-year period. For these purposes, retirement means a termination of employment with retirement approval of the Compensation Policy Committee by an executive who had attained age 55 with 10 years of service, or, for Marriott International Stock Plan annual stock awards granted before 2006, had alternatively attained 20 years of service. In all cases, however, the Compensation Policy Committee or its designee has the authority to revoke approved retiree status if an executive terminated employment for serious misconduct or was subsequently found to have engaged in competition or engaged in criminal conduct or other behavior that was actually or potentially harmful to the Company. A named executive officer who dies as an employee or approved retiree would immediately vest in his or her options, SARs and other stock awards. As of January 2, 2015, each of Mr. Weisz and Mr. Cunningham met the age and service conditions for retirement eligibility.
- (7) Consists of the value of unvested employer credits under the Deferred Compensation Plan. The Company may credit participants' accounts with employer credits that will vest at a rate of 25 percent per year on the first four anniversaries of the date the discretionary employer credit was allocated to the participant's account, provided that

the participant remains in continued service with the Company. Upon a change in control of the Company or a participant's death or retirement after reaching age 55 and completing ten continuous years of service, all employer credits will immediately vest in full. Although the Marriott Deferred Compensation Plan also provided for employer credits, no named executive officer has unvested employer credits under the Marriott Deferred Compensation Plan.

The benefits reported in the table and narrative above are in addition to benefits available prior to the occurrence of any termination of employment, including benefits available under then-exercisable SARs and options and vested Deferred Compensation Plan balances, and benefits available generally to salaried employees such as benefits under the 401(k) Plan, group medical and dental plans, life and accidental death insurance plans, disability programs, health and dependent care spending accounts, and accrued paid time off. Amounts actually received if any of the named executive officers cease to be employed will vary based on factors such as the

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timing during the year of any such event, the price of the Company's stock and Marriott International's stock, the named executive officer's age, and any changes to our benefit arrangements and policies. We may determine to provide additional or different benefits in connection with any executive's termination.

Compensation Arrangements for Non-Employee Directors

For 2014, our compensation arrangements for our non-employee directors for service on our Board of Directors consisted of:

an annual cash retainer of \$70,000 for each non-employee director other than the Chairman and \$110,000 for the Chairman;

an annual cash retainer of \$20,000 for the chairs of each of the Audit Committee, the Compensation Policy Committee and Nominating and Corporate Governance Committee;

an annual cash retainer of \$5,000 for the members (other than the Chairs) of each of the Audit Committee, the Compensation Policy Committee and Nominating and Corporate Governance Committee;

an annual cash retainer of \$15,000 for the Lead Independent Director; and

an annual equity grant (the Non-Employee Director Share Awards) with a value of \$105,000 for each non-employee director other than the Chairman and \$165,000 for the Chairman.

The Non-Employee Director Share Awards, which vest immediately, represent the right to receive shares of the Company's common stock upon a director's completion of Board service. Prior to a director's completion of Board service, the Non-Employee Director Share Awards cannot be transferred or assigned, and the director has no voting rights in the common stock underlying the awards.

In February 2015, the Board, acting upon recommendation of the Compensation Policy Committee, approved the following increases for 2015:

the annual cash retainer for the for the members (other than the Chairs) of each of the Audit Committee, the Compensation Policy Committee and Nominating and Corporate Governance Committee was increased to \$7,500; and

the value of the Non-Employee Director Share Awards was increased to \$115,000 for each non-employee director other than the Chairman and to \$175,000 for the Chairman.

The following table summarizes the compensation paid to our non-employee directors during the fiscal year ended January 2, 2015.

Name	Fees Earned or Paid in Cash ⁽¹⁾	Stock Awards ⁽²⁾	Option Awards ⁽²⁾	Change in Pension Value and Non-Equity Non-qualified Incentive Plan Compensation			Total
				Deferred Compensation Earnings ⁽³⁾	All Other Compensation		
William J. Shaw	\$ 110,000	\$ 165,015	\$	\$	\$	\$	\$ 275,015
C.E. Andrews	80,000	104,994					184,994
Raymond L. Gellein, Jr.	85,000	104,994					189,994
Thomas J. Hutchison III	100,000	104,994			822		205,816
William M. McCarten	100,000	104,994			822		205,816
Melquiades R. Martinez	105,000	104,994					209,994
Dianna F. Morgan	80,000	104,994					184,994

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- (1) Includes the following amounts deferred under the Deferred Compensation Plan: Mr. Hutchison, \$100,000; and Mr. McCarten, \$100,000.
- (2) The following table indicates the number of outstanding awards held by each non-employee director as of January 2, 2015:

Name	Award Type	Number of Securities		Number of Shares or Units of Stock That Have Not Vested	Number of Shares or Units of Stock That Have Vested
		Underlying Unexercised Options/SARs	Exercisable Unexercisable		
William J. Shaw	SARs	19,448.0			
	SARs	28,090.0			
	SARs	13,827.0			
	Non-Employee Director				18,793.0
C.E. Andrews	Non-Employee Director				4,228.0
Raymond L. Gellein, Jr.	Non-Employee Director				11,517.0
Thomas J. Hutchison III	SARs	4,905.0			
	Non-Employee Director				11,517.0
William W. McCarten	Non-Employee Director				11,517.0
Melquiades R. Martinez	Non-Employee Director				11,517.0
Dianna F. Morgan	Non-Employee Director				4,228.0

- (3) The values reported equal the excess of the return on amounts credited to accounts in the Deferred Compensation Plan at the annually designated rate of return over 120 percent of the applicable federal long-term rate.

Deferred Compensation Plan

Our non-employee directors are eligible to participate in the Deferred Compensation Plan. A non-employee director may defer all or part of any non-employee director fees until such future date as he or she elects in accordance with the terms of the Deferred Compensation Plan. A non-employee director may elect to receive his or her deferred amounts in a lump sum or in installments over five, ten, fifteen or twenty years at either a separation from service or upon any of the first five anniversaries of a separation from service. Alternatively, he or she may elect to receive his or her deferred amounts in a lump sum in January of a specified year. Participants' accounts will be credited with an investment return determined as if the account were invested in one or more investment funds made available by the administrator of the Deferred Compensation Plan (or which may be based on a fixed rate of interest selected by the administrator). To the extent that this rate exceeds 120 percent of the applicable federal long-term rate, the excess will be reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column. The rate of return was set at 5.6 percent for 2014, which exceeded the applicable federal long-term rate.

Clawbacks

Under our clawback policy, the Board may recoup any compensation from a director who has engaged in conduct that violates our Business Conduct Guide or in willful misconduct or fraud that causes harm to the Company. Compensation received up to three years prior to the conduct and after the date the adoption of the policy is subject to

potential recoupment under the policy.

Stock Ownership Guidelines

Under our stock ownership guidelines, non-employee directors are to achieve ownership of stock with a value equal to five times their Board cash retainer for the fiscal year for which compliance is being evaluated. Directors who served in such capacity at the time of the Spin-Off are expected to achieve compliance by the end of 2016; other directors are expected to achieve compliance by the end of their fifth full year of service. For purposes of determining compliance with the guidelines, the following are considered shares owned by the director: shares owned by the director and his or her spouse; shares held by a trust any beneficiaries of which are the director or his or her family members; shares held jointly with others; restricted stock awards; restricted stock

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unit awards; Non-Employee Director Share Awards; and share equivalents deferred in accordance with our plans. The Compensation Policy Committee receives an annual report of the ownership achieved by each director as of the end of the fiscal year, with the achievement level determined by reference to the average of the closing prices of our common stock for the 20 trading days ending on the last trading day of the fiscal year. As of the end of 2014, each of our directors other than Mr. Andrews and Ms. Morgan had already achieved the ownership level they will be required to achieve under the guidelines as of the end of 2016; Mr. Andrews and Ms. Morgan, each of whom joined the Board in 2013, had already achieved 88 percent of the applicable ownership level.

Pledging and Derivative Transactions

Directors are prohibited from including Marriott Vacations Worldwide stock or other securities in a margin account or pledging such securities as collateral for a loan. We also have a policy which prohibits all directors from shorting the sale of our stock or securities, or from buying, selling, writing or otherwise entering into any other derivative transaction related to our stock or securities, including options, warrants, puts, calls, and similar rights.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information about the securities authorized for issuance under our equity compensation plans as of January 2, 2015.

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
Equity compensation plans approved by shareholders	1,735,490 ⁽¹⁾	\$ 22.65	1,874,324 ⁽²⁾
Equity compensation plans not approved by shareholders			
Total	1,735,490	\$ 22.65	1,874,324

(1) Includes 939,080 shares of outstanding deferred stock bonus and RSUs, as well as Non-Employee Director Share Awards awarded to directors under the Stock and Cash Incentive Plan, that are not included in the calculation of the Weighted-Average Exercise Price column.

(2) All securities are available for issuance under the Stock and Cash Incentive Plan.

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

The table below sets forth the beneficial ownership of the Company's common stock by our directors and named executive officers as of April 1, 2015 (unless otherwise noted), as well as additional information about beneficial owners of more than five percent of the Company's common stock. Ownership consists of sole voting and sole investment power, except as indicated in the notes below, and except for shares registered in the name of children sharing the same household or subject to any community property laws. The address of each director and executive officer is Marriott Vacations Worldwide Corporation, 6649 Westwood Boulevard, Orlando, Florida, 32821.

Note on Various Marriott Family Holdings

SEC rules require reporting of beneficial ownership of certain shares by multiple parties, resulting in multiple counting of some shares. As of April 1, 2015, the aggregate total beneficial ownership of the parties listed under the heading "Marriott Family" is approximately 18.3 percent of outstanding shares after removing

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the shares counted multiple times. These individuals and entities each disclaim beneficial ownership over shares owned by other members of the Marriott family and the entities named below except as specifically disclosed in the footnotes following the table below.

Stock Ownership of Certain Beneficial Owners

Name	Amount and Nature of Beneficial Ownership	Percent of Class ⁽¹⁾
Directors and Nominees:		
C.E. Andrews	4,228.0 (2)	*
Raymond L. Gellein, Jr.	11,517.0 (2)	*
Thomas J. Hutchison III	14,706.0 (2)(3)	*
Melquiades R. Martinez	11,517.0 (2)	*
William W. McCarten	13,483.0 (2)(4)	*
Dianna F. Morgan	4,228.0 (2)	*
William J. Shaw	160,014.0 (2)(3)	*
Stephen P. Weisz	205,423.1 (3)(5)	*
Named Executive Officers:		
R. Lee Cunningham	42,419.3 (3)	*
John E. Geller, Jr.	64,685.9 (3)	*
Lizabeth Kane-Hanan	30,665.1 (3)	*
Brian E. Miller	27,715.9 (3)	*
All Directors and Executive Officers as a Group:		
(16 persons)	660,324.3 (6)	2.1%
Marriott Family:		
J.W. Marriott, Jr.	3,919,313.3 (7)(8)(9)(10)	12.3%
John W. Marriott III	3,280,557.2 (7)(8)(11)	10.3%
Deborah M. Harrison	3,246,153.1 (7)(8)(12)	10.2%
Richard E. Marriott	3,127,572.0 (8)(9)(13)	9.9%
David S. Marriott	2,105,316.3 (7)(14)	6.6%
Juliana B. Marriott	2,023,616.0 (7)(15)	6.4%
Stephen Blake Marriott	2,012,994.7 (7)(16)	6.3%
The Juliana B. Marriott Marital Trust	2,010,810.0 (7)(17)	6.3%
JWM Family Enterprises, Inc.	2,002,797.0 (7)	6.3%
JWM Family Enterprises, L.P.	2,002,797.0 (7)	6.3%
Other Five Percent Beneficial Owners:		
BlackRock, Inc.	2,421,958.0 (18)	7.6%
BAMCO, Inc.	2,101,836.0 (19)	6.6%
Dimensional Fund Advisors LP	1,897,704.0 (20)	6.0%
The Vanguard Group, Inc.	1,867,429.0 (21)	5.9%

* Less than 1 percent.

- (1) Based on the number of shares outstanding (31,731,586) on April 1, 2015, plus the number of shares acquirable by the specified person(s) within 60 days of April 1, 2015, as described below.
- (2) Includes shares subject to Non-Employee Director Share Awards currently exercisable or exercisable within 60 days after April 1, 2015, as follows: Mr. Andrews, 4,228 shares; Mr. Gellein, 11,517 shares; Mr. Hutchison, 11,517 shares; Mr. Martinez, 11,517 shares; Mr. McCarten, 11,517 shares; Ms. Morgan, 4,228 shares; and Mr. Shaw, 18,793 shares.
- (3) Includes shares subject to SARs currently exercisable or exercisable within 60 days after April 1, 2015, as follows: Mr. Cunningham, 16,410 shares; Mr. Geller, 17,551 shares; Mr. Hutchison, 2,989 shares; Ms. Kane-Hanan, 12,585 shares; Mr. Miller, 12,075 shares; Mr. Shaw, 50,849 shares; and Mr. Weisz, 77,316 shares. For purposes of determining the number of shares subject to SARs that are beneficially owned by each such person, we have calculated the number of

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shares that such person could obtain by exercising all vested SARs on April 1, 2015, based on the closing price of our common stock on that date (\$80.62).

- (4) Includes 1,966 shares held by a limited liability corporation in which Mr. McCarten owns a 2 percent interest and acts as Manager.
- (5) Includes 19,500 shares held by a grantor-retained annuity trust.
- (6) Includes an aggregate of 291,409 shares subject to SARs and Non-Employee Director Share Awards currently exercisable or exercisable within 60 days after April 1, 2015.
- (7) Includes the following 2,002,797 shares that J.W. Marriott, Jr., his children John W. Marriott III, Deborah M. Harrison and David S. Marriott, his grandson Stephen Blake Marriott, Juliana B. Marriott, the Juliana B. Marriott Marital Trust, JWM Family Enterprises, Inc. and JWM Family Enterprises, L.P. each report as beneficially owned: (a) 919,999 shares owned by Thomas Point Ventures, L.P.; (b) 290,402 shares owned by Terrapin Limited Holdings, LLC; (c) 744,896 shares owned by JWM Family Enterprises, L.P.; and (d) 47,500 shares owned by Anchorage Partners, L.P. JWM Family Enterprises, Inc., a corporation in which J.W. Marriott, Jr., each of his children, and Stephen Blake Marriott are directors, is the sole general partner of JWM Family Enterprises, L.P., a limited partnership, which in turn is the sole general partner of Thomas Point Ventures, L.P. and Anchorage Partners, L.P., which also are limited partnerships, and the sole member of Terrapin Limited Holdings, LLC, a limited liability company. The address for the corporation, the three limited partnerships and the limited liability company is 6106 MacArthur Boulevard, Suite 110, Bethesda, Maryland 20816. Each of J.W. Marriott, Jr., Deborah Marriott Harrison, John W. Marriott III, David S. Marriott, Stephen Blake Marriott, Juliana B. Marriott and The Juliana B. Marriott Marital Trust disclaims beneficial ownership of the foregoing shares in excess of such holder's pecuniary interest.
- (8) Includes 1,152,949 shares owned by The J. Willard & Alice S. Marriott Foundation, a charitable foundation, for which J.W. Marriott, Jr., Richard E. Marriott, John W. Marriott III and Deborah M. Harrison serve as trustees. Each of J.W. Marriott, Jr., Richard E. Marriott, John W. Marriott III and Deborah M. Harrison disclaims beneficial ownership of the foregoing shares in excess of his or her pecuniary interest.
- (9) Includes 291,922 shares that both J.W. Marriott, Jr. and his brother Richard E. Marriott report as beneficially owned in addition to the shares referred to in footnote (8), held by five trusts for the benefit of their children, for which J.W. Marriott, Jr. and Richard E. Marriott serve as co-trustees. Each of J.W. Marriott, Jr. and Richard E. Marriott disclaims beneficial ownership of the foregoing shares in excess of his pecuniary interest.
- (10) Includes the following 471,645.3 shares that J.W. Marriott, Jr. reports as beneficially owned, in addition to the shares referred to in footnotes (7), (8) and (9): (a) 158,782.3 shares held directly; (b) 28,576 shares held by J.W. Marriott, Jr.'s spouse; (c) 25,000 shares owned by The JWM Generations Trust, a trust for which J.W. Marriott, Jr.'s spouse and his children serve as co-trustees; (d) 171,019 shares held by three trusts for the benefit of J.W. Marriott, Jr.'s children, for which his spouse serves as a co-trustee; (e) 4,955 shares held by three trusts for the benefit of John W. Marriott III's children, for which the spouses of John W. Marriott III and J.W. Marriott, Jr. serve as co-trustees; (f) 8,436 shares owned by four trusts for the benefit of the children of Juliana B. Marriott, for which the spouse of J.W. Marriott, Jr. serves as trustee; (g) 5,487 shares owned by the J. Willard Marriott, Jr. Foundation, for which J.W. Marriott, Jr. and his spouse serve as trustees; and (h) 69,390 shares subject to SARs currently exercisable or exercisable within 60 days after April 1, 2015. J.W. Marriott, Jr.'s address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817. J.W. Marriott, Jr. disclaims beneficial ownership of the foregoing shares in excess of his pecuniary interest.
- (11) Includes the following 124,811.2 shares that John W. Marriott III reports as beneficially owned, in addition to the shares referred to in footnotes (7) and (8): (a) 62,147.2 shares held directly; (b) 3,155 shares owned by John W. Marriott III's spouse; (c) 5,000 shares held by a child of John W. Marriott III; (d) 17,698 shares held by three trusts for the benefit of John W. Marriott III's children, for which John W. Marriott III and Deborah M. Harrison serve as trustees; (e) 4,955 shares owned by three trusts for the benefit of John W. Marriott III's children, for which the spouses of John W. Marriott III and J.W. Marriott, Jr. serve as co-trustees; (f) 25,000 shares owned by The JWM

Generations Trust, a trust for which John W. Marriott III serves as a co-trustee; and (g) 6,856 shares held by four trusts for the benefit of David S. Marriott's children, for which David S. Marriott, his spouse and the spouse of John W. Marriott III serve as co-trustees. John W. Marriott III's address is JWM Family Enterprises, 6106 MacArthur Boulevard, Suite 110, Bethesda, Maryland 20816. John W. Marriott III disclaims beneficial ownership of the foregoing shares in excess of his pecuniary interest.

- (12) Includes the following 90,407.1 shares that Deborah M. Harrison reports as beneficially owned in addition to the shares referred to in footnotes (7) and (8): (a) 17,366.2 shares held directly by Ms. Harrison; (b) 1,423.9 shares held directly by Ms. Harrison's spouse; (c) 22,760 shares held by three trusts for the benefit of Ms. Harrison's children, for which Ms. Harrison serves as trustee; (d) 502 shares held by two trusts for the benefit of Ms. Harrison's grandchildren, for which Ms. Harrison, her spouse and another individual serve as trustees; (e) 2,800 shares held by a limited liability company for which Ms. Harrison's spouse serves as manager; (f) 25,000 shares held by JWM Generations Trust, a trust for which Ms. Harrison serves as a co-trustee; (g) 17,698 shares held by three trusts for the benefit of John W. Marriott III's children, for which John W. Marriott III, his spouse and Ms. Harrison serve as co-trustees; and (h) 2,857 shares

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subject to SARs held by Ms. Harrison's spouse currently exercisable or exercisable within 60 days after April 1, 2015. Ms. Harrison's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817. Ms. Harrison disclaims beneficial ownership of the foregoing shares in excess of her pecuniary interest.

- (13) Includes the following 1,682,701 shares that Richard E. Marriott reports as beneficially owned, in addition to the shares referred to in footnotes (8) and (9): (a) 249,019 shares held in a revocable trust; (b) 28,326 shares owned by Richard E. Marriott's spouse in a revocable trust; (c) 1,358,488 shares held by a grantor-retained annuity trust; (d) 45,168 shares owned by a trust for the benefit of one of Richard E. Marriott's children, for which his spouse serves as a co-trustee; and (e) 1,700 shares held by a trust established for the benefit of J.W. Marriott Jr., for which Richard E. Marriott serves as sole trustee. Richard E. Marriott's address is Host Hotels & Resorts, Inc., 10400 Fernwood Road, Bethesda, Maryland 20817. Richard E. Marriott disclaims beneficial ownership of the foregoing shares in excess of his pecuniary interest.
- (14) Includes the following 102,519.3 shares that David S. Marriott reports as beneficially owned in addition to the shares referred to in footnote (7): (a) 61,246.3 shares held directly; (b) 533 shares held by David S. Marriott's spouse; (c) 6,856 shares held by four trusts for the benefit of David S. Marriott's children, for which David S. Marriott, his spouse and the spouse of John W. Marriott III serve as co-trustees; (d) 25,000 shares owned by The JWM Generations Trust, a trust for which David S. Marriott serves as a co-trustee; (e) 8,013 shares held by the Juliana B. Marriott Marital Trust, of which David S. Marriott is a trustee; and (f) 871 shares subject to SARs currently exercisable or exercisable within 60 days after April 1, 2015. David S. Marriott's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817. David S. Marriott disclaims beneficial ownership of the foregoing shares in excess of his pecuniary interest.
- (15) Includes the following 20,819 shares that Juliana B. Marriott reports as beneficially owned in addition to the shares referred to in footnote (7): (a) 4,370 shares held directly; (b) 8,013 shares held by the Juliana B. Marriott Marital Trust, of which Ms. Marriott is a trustee; and (c) 8,436 shares owned by four trusts for the benefit of Ms. Marriott's children, for which Juliana B. Marriott and the spouse of J.W. Marriott, Jr. serve as co-trustees. Juliana B. Marriott's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817. Juliana B. Marriott disclaims beneficial ownership of the foregoing shares in excess of her pecuniary interest.
- (16) Includes the following 10,197.7 shares that Stephen Blake Marriott reports as beneficially owned in addition to the shares referred to in footnote (7): (a) 10,038.7 shares held directly; and (b) 159 shares owned by a trust for the benefit of Stephen Blake Marriott's nephew, for which Stephen Blake Marriott is a co-trustee. Stephen Blake Marriott's address is Marriott International, 10400 Fernwood Road, Bethesda, Maryland 20817. Stephen Blake Marriott disclaims beneficial ownership of the foregoing shares in excess of his pecuniary interest.
- (17) Includes 8,013 shares held directly that the Juliana B. Marriott Marital Trust reports as beneficially owned in addition to the shares referred to in footnote (7). The address of The Juliana B. Marriott Marital Trust is c/o Jacqueline M. Perry, JWM Family Enterprises, 6106 MacArthur Boulevard, Suite 110, Bethesda, Maryland 20816.
- (18) Based solely on the information contained in Schedule 13G/A filed with the SEC on January 26, 2015 by BlackRock, Inc., in which BlackRock, Inc. reported sole voting power as to 2,353,660 shares and sole dispositive power as to 2,421,958 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10022.
- (19) Based solely on the information contained in Schedule 13G filed with the SEC on February 17, 2015 by BAMCO, Inc. (BAMCO), Baron Capital Group, Inc. (BCG), Baron Capital Management, Inc. and Ronald Baron (Baron). BAMCO reported shared voting power as to 1,834,838 shares and shared dispositive power as to 1,994,838 shares, and BCG and Ronald Baron reported shared voting power as to 1,941,836 shares and shared dispositive power as to 2,101,836 shares. The address of BAMCO, BCG and Baron is 767 Fifth Avenue, 49th Floor, New York, New York 10153.
- (20) Based solely on the information contained in a Schedule 13G filed with the SEC on February 5, 2015 by Dimensional Fund Advisors LP (Dimensional). Dimensional reported sole voting power as to 1,861,835 shares and sole dispositive power as to 1,897,704 shares, all of which shares are owned by four investment companies to which Dimensional provides investment advice. Dimensional disclaims beneficial ownership of such shares. The

address of Dimensional Fund Advisors LP is Building One, 6300 Bee Cave Road, Austin, Texas 78746.

- (21) Based solely on the information contained in a Schedule 13G/A filed with the SEC on February 11, 2015 by Vanguard Group, Inc. (Vanguard). Vanguard reported sole voting power as to 38,376 shares, sole dispositive power as to 1,831,153 shares, and had shared dispositive power as to 36,276 shares. Vanguard reported that its subsidiaries Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd., beneficially owned 36,276 and 2,100 shares, respectively, as a result of serving as investments managers. The address of Vanguard Group, Inc. is 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.

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Section 16(a) Beneficial Ownership Reporting Compliance

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

Based solely on a review of SEC filings furnished to us and written representations that no other reports were required, we believe all Reporting Persons timely filed the required reports during our 2014 fiscal year, except a Form 4 for Stephen P. Weisz that was filed late due to an administrative error to report certain gifts of common stock.

TRANSACTIONS WITH RELATED PERSONS

Policy on Transactions and Arrangements with Related Persons

We have adopted a written policy for approval of transactions and arrangements between the Company and our current and recent former directors, director nominees, current and recent former executive officers, greater than five percent shareholders, and immediate family members of any of the foregoing where the amount involved exceeds, or may be expected to exceed, \$120,000.

The policy provides that the Nominating and Corporate Governance Committee will review the material facts of transactions subject to the policy and determine whether or not to approve or ratify those transactions. In determining whether to approve or ratify a transaction subject to the policy, the Committee will take into account, among other factors, whether the transaction is on terms that are no less favorable to the Company than terms generally available to an unaffiliated third party under similar circumstances and the materiality of the related person's interest in the transaction. No director, officer or associate of the Company who has, or whose immediate family member has, any direct or indirect interest in the transaction may play any role in negotiating, approving, making decisions for or administering such transaction on our behalf. In the case of ongoing transactions between us and a related party, the Nominating and Corporate Governance Committee may establish guidelines for our management to follow in dealings with the related party and, if the Committee establishes such guidelines, it must assess the ongoing relationship in light of those guidelines on at least an annual basis.

The Nominating and Corporate Governance Committee has pre-approved under the policy certain transactions with related persons that meet specific criteria. A summary of certain new transactions we enter into that were pre-approved under the policy is required to be provided to the Nominating and Corporate Governance Committee at its regularly scheduled meetings. Pre-approved transactions are limited to:

ordinary course sales of timeshare, fractional or similar ownership interests with specified maximum dollar thresholds at prices that are no lower than those available under Company-wide employee discount programs;

employment and compensation relationships that are subject to Compensation Policy Committee or other specified internal management approvals and which, in the case of executive officers and directors, are

subject to required proxy statement disclosure;

certain transactions with other companies and certain charitable contributions that satisfy the independence criteria under both our Corporate Governance Policies and the NYSE Listing Standards;

certain transactions with Marriott International in the ordinary course of business, if the interest of J.W. Marriott, Jr. or any of his immediate family members only arises from ownership of less than 20 percent of the Company's common stock and from a relationship with Marriott International as an

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employee, director and/or beneficial owner of less than 20 percent of Marriott International's shares, and all holders of each of our common stock and Marriott International's common stock, respectively, will receive the same benefit on a pro rata basis;

transactions where the related party's interest arises solely from ownership of our common stock and all holders of our common stock receive the same benefit on a pro rata basis;

certain transactions involving less than (1) \$500,000, with respect to a transaction consisting of compensation arrangements for a Related Person who is employed by the Company or its subsidiaries, or (2) \$250,000, with respect to any other transaction, in each case that are approved by at least two members of the Corporate Growth Committee (an internal management committee whose members include our Executive Vice President and Chief Financial Officer, Executive Vice President and General Counsel, and other executive officers) who do not have any direct or indirect interest in the transaction and the approving committee members determine the transaction is on terms no less favorable to us than would be available to unrelated third parties under similar circumstances;

transactions where the rates or charges involved are determined by competitive bids, or fixed in conformity with law or governmental authority; and

transactions involving banking-related services such as transfer agent, registrar, trustee under a trust indenture or similar services.

Certain Relationships and Potential Conflicts of Interest

Since the Spin-Off, we have employed Scott Weisz, son of Stephen P. Weisz, our President and Chief Executive Officer. Scott Weisz has been Vice President, Asset Management, since September 2014; prior to that time he was Senior Director, Asset Management. During 2014, Mr. Scott Weisz received compensation from the Company in the aggregate amount of \$214,885 (which includes base salary, bonus, the value of stock-based awards and other compensation). We have determined this compensation based on reference to market compensation paid to individuals in similar positions at other companies and/or the compensation paid to non-family members in similar positions at the Company.

SHAREHOLDER PROPOSALS AND NOMINATIONS

FOR DIRECTORS FOR THE 2016 ANNUAL MEETING

A shareholder who intends to introduce a proposal for consideration at our 2016 Annual Meeting of Shareholders may seek to have that proposal and a statement in support of the proposal included in our Proxy Statement if the proposal relates to a subject that is permitted under Rule 14a-8 under the Exchange Act. Additionally, in order to be eligible for inclusion in our Proxy Statement, the shareholder must submit the proposal and supporting statement to our Corporate Secretary in writing not later than December 23, 2015, and must satisfy the other requirements of Rule 14a-8. Shareholders interested in submitting such a proposal are advised to contact knowledgeable counsel with regard to the detailed requirements of applicable securities laws. The submission of a shareholder proposal does not guarantee that it will be included in our Proxy Statement.

A shareholder may otherwise propose business for consideration or nominate persons for election to the Board, in compliance with federal proxy rules, applicable state law and other legal requirements and without seeking to have the proposal included in our Proxy Statement pursuant to Rule 14a-8. Our Bylaws provide that any such proposals or nominations must be submitted to us not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting. In the event that the date of the Company's annual meeting is more than 30 days before or more than 70 days after the first anniversary of the preceding year's annual meeting (other than as a result of adjournment or postponement), then, to be timely, such shareholder's notice must be submitted in writing not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the date on which public

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announcement of the date of such meeting is first made by the Company. Accordingly, shareholders who wish to nominate persons for election as directors or bring forth other proposals outside of Rule 14a-8 at the 2016 Annual Meeting of Shareholders must give notice of their intention to do so in writing to our Corporate Secretary on or before March 7, 2016, but no sooner than February 6, 2016. The shareholder's submission must include certain specified information concerning the proposal or nominee, as the case may be, and information as to the shareholder's ownership of common stock as required by the Company's Bylaws. Shareholder proposals or nominations not meeting these requirements will not be entertained at the Annual Meeting.

OTHER INFORMATION

This Proxy is solicited on behalf of the Board of Directors. The Company will bear all expenses in connection with the Annual Meeting and this proxy solicitation. We have also retained D.F. King & Co., Inc. to assist in distribution of these proxy materials and soliciting proxy voting instructions, at an estimated cost not to exceed \$7,000, plus reasonable expenses. Proxies may be solicited by certain of our directors, officers and employees, without additional compensation, in person, by telephone, by mail, telegram, facsimile, or other electronic or other means. Broadridge Financial Services, Inc. will request that brokerage houses, banks and other custodians forward the proxy materials to beneficial owners of our common stock. We will reimburse brokerage houses, banks, and other custodians for their reasonable expenses for forwarding these materials to beneficial owners. Broadridge Financial Services, Inc. will act as proxy tabulator.

If you and other residents at your mailing address own shares of common stock in street name, your broker or bank may have sent you a notice that your household will receive only one Notice Regarding the Availability of Proxy Materials or set of proxy materials for each company in which you hold stock through that broker or bank unless you respond with contrary instructions. This practice, known as householding, is designed to reduce our printing and postage costs. If you did not respond, the broker or bank will send only one copy of the notice regarding the availability of proxy materials to your address. You may revoke your consent to householding at any time by contacting Broadridge Financial Services, Inc. either by calling (800) 542-1061 or by writing to Broadridge Household Department, 51 Mercedes Way, Edgewood, New York 11717. In any event, if you did not receive an individual copy of the Notice Regarding the Availability of Proxy Materials, or if you wish to receive individual copies of the Notice Regarding the Availability of Proxy Materials or our proxy materials for future meetings, we will promptly send a copy to you if you write to Marriott Vacations Worldwide Corporation, 6649 Westwood Boulevard, Orlando, Florida, 32821, Attention: Corporate Secretary. If you and other residents at your mailing address are registered shareholders and you receive more than one copy of the Notice Regarding the Availability of Proxy Materials, but you wish to receive only one copy, you must request, in writing, that the Company eliminate these duplicate mailings. To request the elimination of duplicate copies, please write to Computershare, P.O. Box 30170, College Station, Texas, 77842.

Any shareholder who would like a copy of our 2014 Annual Report on Form 10-K may obtain one, without charge, by addressing a request to the Corporate Secretary, Marriott Vacations Worldwide Corporation, 6649 Westwood Boulevard, Orlando, Florida, 32821. The Company's copying costs will be charged if copies of exhibits to the Form 10-K are requested. You may also obtain a copy of the Form 10-K, including exhibits, from the investor relations portion of our website (www.marriottvacationsworldwide.com) by clicking on **Financial Information and then **SEC Filings**.**

MARRIOTT VACATIONS WORLDWIDE CORPORATION
EMPLOYEE STOCK PURCHASE PLAN

1. Purpose.

Marriott Vacations Worldwide Corporation establishes this Marriott Vacations Worldwide Corporation Employee Stock Purchase Plan to provide eligible employees of the Participating Companies with an opportunity to become owners of the Company through the purchase of shares of common stock of the Company. The Company intends that the Plan, and all rights granted hereunder, will meet the requirements of an employee stock purchase plan within the meaning of Code Section 423 and the Plan shall be interpreted, construed and administered in all respects so as to be consistent with such requirements.

2. Definitions.

The following terms, when the initial letter is capitalized in this document, shall have the meaning set forth below:

- (a) Affiliate shall mean any parent or subsidiary corporation of the Company (as determined in accordance with Code Section 424), including any that are subsequently established.
- (b) Board shall mean the Company's Board of Directors, or any committee of the Board to which the Board has delegated its authority hereunder, in whole or part.
- (c) Change in Control shall have the meaning given in the Marriott Vacations Worldwide Corporation Amended and Restated Stock and Cash Incentive Plan, as it may be amended from time to time, or any successor plan thereto.
- (d) Code shall mean the Internal Revenue Code of 1986, as amended. Any reference to a particular provision of the Code shall include any successor provisions thereto and the regulations promulgated thereunder.
- (e) Common Stock shall mean the Company's common stock, par value \$0.01 per share.
- (f) Company shall mean Marriott Vacations Worldwide Corporation, a Delaware corporation, and any corporate successor thereto.
- (g) Compensation shall have the meaning determined by the Plan Administrator (or its designee) from time to time. Specifically, the Plan Administrator (or its designee) shall have the authority to determine and approve the types of pay to be included in (or excluded from) the definition of Compensation and may change the definition on a prospective basis.
- (h) Eligible Employee shall mean any person who is employed by a Participating Company as an employee. Notwithstanding the foregoing, the Plan Administrator may determine, in advance of any Offering Period, that the following group(s) of otherwise Eligible Employees shall be ineligible to participate in the Plan:

- (i) Employees whose customary employment is twenty (20) hours of service or less per week (or such lesser number of hours as may be specified by the Plan Administrator);
- (ii) Employees who have been employed less than six (6) months (or such lesser period of employment as may be specified by the Plan Administrator);
- (iii) Employees whose customary employment is five (5) or fewer months in any calendar year (or such lesser period of customary employment as may be specified by the Plan Administrator); and/or

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- (iv) Employees who are officers within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934 as may be specified by the Plan Administrator.

Notwithstanding the foregoing, employees of a Participating Company who are citizens or residents of a foreign jurisdiction (without regard to whether they are also citizens of the United States or resident aliens within the meaning of Code Section 7701(b)(1)(A)) shall not be considered Eligible Employees for an Offering Period if (A) the grant of a purchase right under the Plan to such citizen or resident is prohibited under the laws of such jurisdiction or (B) compliance with the laws of the foreign jurisdiction would cause the Plan or offering to violate the requirements of Code Section 423.

(i) Entry Date shall mean the date an Eligible Employee may commence participation in an Offering Period pursuant to Section 6. The first day of an Offering Period shall always be an Entry Date. The Plan Administrator may, in its discretion, permit other Entry Dates during an Offering Period.

(j) Fair Market Value shall mean the average of the highest and lowest quoted selling prices for the shares of Common Stock on the applicable date (or if there were no sales on such date, the average so computed on the nearest day before the applicable date), as reported in The Wall Street Journal or a similar publication selected by the Plan Administrator.

(k) Offering Period shall mean, unless otherwise determined by the Plan Administrator, each fiscal quarter of the Company. The Plan Administrator shall have the authority to establish additional Offering Periods, a different duration for one or more Offering Periods, and/or different commencement dates for any Offering Periods, provided that no Offering Period shall have a duration exceeding five years.

(l) Participant shall mean an Eligible Employee who has elected to participate in the Plan in accordance with rules established by the Plan Administrator.

(m) Participating Company shall mean, with respect to an Offering Period, the Company and any of its Affiliates if so designated by the Plan Administrator prior to an Offering Period. If the Plan Administrator designates the Company or any of its Affiliates as a Participating Employer for an Offering Period, such entity shall remain a Participating Employer for all subsequent Offering Periods until the Plan Administrator determines otherwise.

(n) Plan shall mean this Marriott Vacations Worldwide Corporation Employee Stock Purchase Plan, as it may be amended from time to time.

(o) Plan Administrator shall mean a committee of the Board, which may include a committee comprised of the Chairperson of the Compensation Policy Committee and the Chief Executive Officer of the Company, designated by the Board to administer the Plan.

(p) Purchase Date shall mean the last business day of each Offering Period.

(q) Securities Act shall mean the Securities Act of 1933, as amended. Any reference to a particular provision of the Securities Act shall include any successor provisions thereto and any regulations promulgated thereunder.

(r) Shares shall mean shares of Common Stock.

3. Administration of the Plan.

The Plan Administrator shall have the sole and discretionary authority to administer the Plan, including, without limitation, the authority to: (a) construe, interpret, and apply the provisions of the Plan, and, in

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connection therewith, to make factual determinations; (b) establish the policies, interpretations, practices, and procedures of this Plan (provided that they are compliant with Code Section 423); (c) prescribe and require the use of appropriate forms (including electronic forms); (d) prepare all reports, notices, and any other documents relating to the Plan which may be required by law; (e) hire all persons providing services to the Plan; and (f) delegate to one or more individuals such duties and functions relating to the operation and administration of the Plan as the Plan Administrator so determines, except to the extent prohibited by applicable law.

Decisions of the Plan Administrator shall be final and binding on all parties having an interest in the Plan.

4. Stock Subject to Plan.

(a) **General.** The stock purchasable under the Plan shall be authorized but unissued or reacquired Shares and/or Shares purchased on the open market, as determined by the Plan Administrator. Subject to Article 4(b) below, the maximum number of shares of Common Stock which may be purchased in the aggregate under the Plan shall be 500,000 Shares.

(b) **Changes to Common Stock.** Should any change be made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Company's receipt of consideration, the Plan Administrator shall make equitable adjustments, in order to prevent the dilution or enlargement of benefits hereunder, to the following: (i) the maximum number and class of securities issuable in the aggregate under the Plan, (ii) the maximum number and class of securities purchasable per Participant and in the aggregate on any one Purchase Date, and (iii) the number and class of securities and the price per share in effect under each outstanding purchase right.

5. Offering Periods.

(a) **General.** Shares shall be offered for purchase under the Plan through a series of successive Offering Periods, the first of which shall begin on July 1, 2015 or such other date as the Plan Administrator may designate. The Plan Administrator shall designate the commencement date of subsequent Offering Periods.

(b) **Separate Offerings.** Unless otherwise specified by the Plan Administrator, each offering to Eligible Employees shall be deemed a separate offering, even if the dates and other terms of the applicable Offering Periods of each such offering are identical, and the provisions of the Plan will separately apply to each offering. To the extent permitted by Treasury Regulations Section 1.423-2(a)(1), the terms of each separate offering need not be identical, provided that the terms of the Plan and an offering together satisfy Treasury Regulations Sections 1.423-2(a)(2) and (a)(3).

6. Eligibility and Participation.

(a) **Eligibility.** Each individual who is an Eligible Employee and who is enrolled on the first day of an Offering Period shall participate in the Offering Period.

(b) **Participation.** To participate in the Plan, an Eligible Employee must complete the enrollment forms prescribed by the Plan Administrator or its designee (which may include a stock purchase agreement and/or, to the extent applicable, a payroll deduction authorization) by the deadline established by the Plan Administrator, and follow any other procedures for enrollment in the Plan as may be established by the Plan Administrator (or its designee) on or

before the deadline established by the Plan Administrator for that Entry Date. Unless otherwise determined by the Plan Administrator, once an Eligible Employee has enrolled in an Offering Period, his or her enrollment will remain in effect through subsequent Offering Periods on the terms then in effect unless the Eligible Employee voluntarily ceases payroll deductions pursuant to Section 8(a), withdraws from an Offering Period pursuant to Section 8(b) hereof or ceases to be an Eligible Employee.

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(c) **Rights and Privileges.** Except for differences that are required in order to comply with the laws of a foreign jurisdiction or are otherwise consistent with Code Section 423(b)(5), all Eligible Employees who participate in the Plan shall have the same rights and privileges under the Plan.

7. Payroll Deductions.

(a) **General.** Except as otherwise provided by the Plan Administrator prior to the commencement of an Offering Period, an Eligible Employee may authorize, for purposes of acquiring shares during an Offering Period, payroll deductions of either a flat dollar amount per pay period or any multiple of one percent (1%) of the Eligible Employee's Compensation during such Offering Period, up to a maximum established by the Plan Administrator for the Offering Period.

(b) **Duration and Use.** Payroll deductions shall begin on the first pay day following the Eligible Employee's Entry Date and shall continue through the pay day ending coincident with or immediately prior to the Purchase Date (unless sooner terminated pursuant to Section 8 hereof). The amounts so collected shall be credited to a bookkeeping account established for the Participant under the Plan. No interest shall be paid on the balance credited in the Participant's account, unless payment of interest is required under applicable law. The amounts so collected may be commingled with the general assets of the Company and used for general corporate purposes and shall not be required to be held in a trust fund or in any segregated account, unless segregation is otherwise required under applicable law.

(c) **Modifications.** Except as provided in Section 8, an Eligible Employee may not change his or her payroll deduction election during an Offering Period.

(d) **Alternative Forms.** Notwithstanding any other provisions of the Plan to the contrary, in locations where the laws of a foreign jurisdiction prohibit payroll deductions, an Eligible Employee may elect to participate through contributions to his or her account under the Plan in a form acceptable to the Plan Administrator (or its designee).

8. Termination of Participation.

(a) **Voluntary Cessation of Contributions.** A Participant may, at any time and for any reason, voluntarily cease contributions to the Plan during an Offering Period by notification delivered to the Plan Administrator (or its designee). Payroll deductions shall cease as soon as practicable after the Plan Administrator (or its designee) receives such notice. If a Participant elects to cease contributions during an Offering Period, then (i) the Participant may not re-start payroll deductions for the remainder of the Offering Period and (ii) the balance in the Participant's account determined as of the effective date of the cessation shall be used at the next Purchase Date to purchase Shares under the Plan in accordance with the terms hereof. A Participant's cessation of contributions to the Plan during an Offering Period shall have no effect on his or her eligibility to participate in any subsequent Offering Period, provided the individual continues to qualify as an Eligible Employee. In order to resume participation in a subsequent Offering Period, such individual must re-enroll in the Plan (by timely completing the required enrollment forms) by the deadline established by the Plan Administrator for the Entry Date for that next Offering Period.

(b) **Withdrawal from Plan.** A Participant (including a Participant who previously elected to have contributions cease in accordance with Section 8(a)), may, at any time and for any reason, voluntarily withdraw from participation in the Plan for an Offering Period by notification of withdrawal delivered to the Plan Administrator (or its designee). If a Participant elects to withdraw from participation during an Offering Period, then (i) payroll deductions for the remainder of the Offering Period shall cease (and may not be restarted for the remainder of the Offering Period),

(ii) participation in the Plan for that Offering Period shall terminate, (iii) the balance in the Participant's account determined as of the effective date of his withdrawal shall be paid to the Participant in cash as soon as practicable following the effective date of the withdrawal, and (iv) no Shares will

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be purchased on behalf of the Participant for the Offering Period in which the withdrawal occurs. A Participant's withdrawal from the Plan during an Offering Period shall have no effect on his or her eligibility to participate in any subsequent Offering Period, provided the individual continues to qualify as an Eligible Employee. In order to resume participation in a subsequent Offering Period, such individual must re-enroll in the Plan (by timely completing the required enrollment forms) on or before his or her scheduled Entry Date for that next Offering Period.

(c) **Cessation of Eligibility.** Participation in the Plan shall be automatically terminated if a Participant ceases to be an Eligible Employee for any reason (including termination of employment, death, or change in status) while his or her purchase right remains outstanding. In such case, the balance in the Participant's Plan account determined on the date such Participant no longer qualifies as an Eligible Employee shall be paid in cash to the Participant (or, in the case of death, to the Participant's heirs or estate) as soon as practicable following such date and no Shares will be purchased on behalf of the Participant for the Offering Period in which such termination occurs.

(d) **Leaves of Absence.** The Plan Administrator may also establish policies and procedures for determining when leaves of absence or changes of employment status will be considered to be a termination of employment for purposes of Section 8(c); provided that such procedures do not conflict with Code Section 423.

9. Purchase Rights.

(a) **Grant of Purchase Right.** A Participant shall be granted a separate purchase right for each Offering Period in which he or she participates. The purchase right shall be granted on the Participant's Entry Date into the Offering Period and shall provide the Participant with the right to purchase shares of Common Stock over the course or at the end of such Offering Period, upon the terms set forth in this Section 9. The Plan Administrator may require the Participant to execute a stock purchase agreement embodying such terms and such other provisions (not inconsistent with the Plan) as the Plan Administrator (or its designee) prescribes.

(b) **Exercise of Purchase Right and Delivery of Shares.** Each purchase right shall be automatically exercised on the Purchase Date for the Offering Period. On such date, Shares shall be purchased on behalf of each Participant (other than Participants whose payroll deductions have been previously refunded pursuant to Section 8 hereof). The purchase shall be effected by applying the Participant's payroll deductions for the Offering Period to the purchase of whole Shares at the purchase price in effect for the Participant for that Purchase Date. As soon as reasonably practicable after each Purchase Date, the Company will arrange for delivery to each Participant of the Shares purchased on his behalf in the form (which may include book entry) determined by the Plan Administrator (in its sole discretion) and pursuant to the rules established by the Plan Administrator. The Company may permit or require that Shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that Shares be retained with such broker or agent for a designated period of time and/or may establish procedures to permit tracking of disposition of such Shares.

(c) **Purchase Price.** The purchase price per share at which Common Stock will be purchased on the Participant's behalf on each Purchase Date shall be established by the Plan Administrator prior to the beginning of an Offering Period; provided however, that such purchase price shall not be less than ninety-five percent (95%) of the Fair Market Value per share of Common Stock on that Purchase Date.

(d) **Number of Purchasable Shares.** The number of Shares purchasable by a Participant on each Purchase Date shall be the number of whole Shares obtained by dividing the Participant's payroll deductions during the Offering Period by the purchase price in effect for that Purchase Date. However, the Plan Administrator may prescribe, prior to

the commencement of an Offering Period, a maximum number of Shares purchasable per Participant and/or a maximum number of Shares purchasable in the aggregate by all Participants on any Purchase Date, each subject to periodic adjustments in the event of certain changes in the Company s

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capitalization. Should the total number of Shares to be purchased by all Participants exceed the maximum limitation established by the Plan Administrator, the Plan Administrator shall make a pro-rata allocation of the available Shares on a uniform and nondiscriminatory basis.

(e) Excess Payroll Deductions. Any payroll deductions not applied to the purchase of Shares on any Purchase Date will be promptly refunded to the Participant following the last day of the Offering Period; provided that any amount representing a fractional share shall be carried forward and applied for the next Offering Period.

(f) Proration of Purchase Rights. Should the total number of Shares to be purchased on any particular Purchase Date exceed the number of Shares then available for issuance under the Plan, the Plan Administrator shall make a pro-rata allocation of the available Shares on a uniform and nondiscriminatory basis, and the payroll deductions of each Participant, to the extent in excess of the aggregate purchase price payable for the Shares allocated to such individual, shall be refunded.

(g) Limitations on Purchase Rights. Notwithstanding anything herein to the contrary,

(i) no Participant shall be granted purchase rights under the Plan if such individual would, immediately after the grant, own (within the meaning of Code Section 424(d)) or hold outstanding options or other rights to purchase, stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any Affiliate; and

(ii) no Participant shall be entitled to accrue rights to acquire Common Stock pursuant to any purchase right outstanding under this Plan if and to the extent such accrual, when aggregated with (A) rights to purchase Common Stock accrued under any other purchase right granted under this Plan and (B) similar rights accrued under other employee stock purchase plans (within the meaning of Code Section 423) of the Company or any Affiliate, would permit such Participant to purchase more than Twenty-Five Thousand Dollars (\$25,000) worth of Common Stock or stock of any Affiliate (determined on the basis of the Fair Market Value per share on the date or dates such rights are treated as granted under Code Section 423) for each calendar year such rights are at any time outstanding. If by reason of such accrual limitation, the purchase right of a Participant does not accrue for a particular Offering Period, then the Participant's payroll deductions shall automatically be discontinued and shall resume at the same rate at the beginning of the first offering period in the next calendar year (if the Participant is then an Eligible Employee).

The requirements set forth under this provision will be interpreted and applied to comply with current requirements under Code Section 423. In the event there is any conflict between the provisions of this Section and one or more provisions of the Plan or any instrument issued thereunder, the provisions of this Section shall be controlling.

10. Change in Control.

In the event of a Change in Control, the Board may provide for any of, or a combination of any of, the following: (a) each purchase right shall be assumed or an equivalent purchase right shall be substituted by the successor entity or parent or subsidiary of such successor entity, (b) a date selected by the Board on or before the date of consummation of such Change in Control shall be treated as a Purchase Date and all outstanding purchase rights shall be exercised on such date, (c) all outstanding purchase rights shall terminate and the accumulated payroll deductions will be refunded to each Participant upon or immediately prior to the Change in Control, or (d) outstanding purchase rights shall continue unchanged.

11. Effective Date; Compliance with Laws; Plan Term.

(a) Effective Date. The Plan is effective on July 1, 2015, provided the Company's shareholders have approved the Plan prior to such effective date. Notwithstanding the foregoing, the Plan Administrator may,

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prior to the Plan's effective date, permit Eligible Employees to enroll in the Plan so that the first Offering Period may commence on July 1, 2015, provided that such enrollment is contingent on shareholder approval of the Plan.

(b) **Compliance with Laws.** The inability of the Company to obtain from any regulatory body having jurisdiction and the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of a purchase right, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

(c) **Plan Term.** The Plan shall terminate upon the earlier of (i) the date on which all shares available for issuance under the Plan shall have been sold pursuant to purchase rights exercised under the Plan, or (ii) the date determined by the Board in its sole discretion. Following the Plan's termination, no further purchase rights shall be granted or exercised, and no further payroll deductions shall be collected. If the Plan is terminated by the Board pursuant to clause (ii) hereof, then all outstanding purchase rights shall terminate and the accumulated payroll deductions will be refunded to each Participant upon or immediately prior to the termination date established by the Board.

12. Amendment.

(a) **General.** The Board or the Plan Administrator may alter, amend, or suspend the Plan at any time. If the Board or the Plan Administrator suspends the Plan, then all outstanding purchase rights shall terminate and the accumulated payroll deductions will be refunded to each Participant upon or immediately prior to the suspension date established by the Board or Plan Administrator.

(b) **Shareholder Approval.** To the extent necessary to comply with Code Section 423 (or any successor rule or provision or any other applicable law, regulation or stock exchange rule), the Company shall obtain shareholder approval for any amendment to the Plan in such a manner and to such a degree as required.

13. Rules for Foreign Jurisdictions.

The Board or Plan Administrator may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of the laws and procedures of a foreign jurisdiction. Without limiting the generality of the foregoing, the Plan Administrator is specifically authorized to adopt rules and procedures regarding handling of payroll deductions or other contributions by Participants, establishment of accounts to hold payroll deductions or other contributions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of share certificates which vary according to local requirements; however, to the extent any such varying provisions are not in accordance with the provisions of Code Section 423(b), including but not limited to the requirements of Code Section 423(b)(5) that all purchase rights granted under the Plan shall provide the same rights and privileges unless otherwise provided under the Code, the individuals affected by such varying provisions shall be deemed not to be Eligible Employees.

14. Miscellaneous.

(a) Compliance with Applicable Laws; Limits on Issuance. Notwithstanding any other provision of the Plan, the Company shall have no liability to deliver any Shares under the Plan unless such delivery or distribution would comply with all applicable laws, including, without limitation, the requirements of the Securities Act, and the applicable requirements of any securities exchange or similar entity on which the Common Stock is listed. Prior to the issuance of any Shares under the Plan, the Company may require a written statement that the recipient is acquiring the Shares for investment and not for the purpose or with the intention of distributing the Shares and will not dispose of them in violation of the registration requirements of the Securities

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Act. All Shares acquired pursuant to purchase rights granted hereunder shall be subject to any applicable restrictions contained in the Company's by-laws. In addition, the Plan Administrator may impose such restrictions on any Shares acquired pursuant to the exercise of purchase rights hereunder as it may deem advisable, including, without limitation, restrictions under applicable securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and restrictions under any blue sky or state securities laws applicable to such Shares.

(b) **Transferability.** A purchase right granted under the Plan may be exercised during a Participant's lifetime only by the Participant. Neither the right of a Participant to purchase Shares hereunder, nor his Plan account balance, may be transferred, pledged, assigned, or otherwise disposed of in any way other than by will or the laws of descent and distribution, and any such attempted transfer, pledge, assignment, or other disposition shall be null and void and without effect. If a Participant in any manner attempts to transfer, assign, or otherwise encumber his or her rights or interests under the Plan, other than by will or the laws of descent and distribution or as permitted by the Code, the Plan Administrator may treat such act as an election by the Participant to discontinue participation in the Plan pursuant to Section 8(b).

(c) **Withholding.** Each Participating Company shall have the right to withhold all applicable taxes with respect to the exercise of a purchase right hereunder, or the subsequent sale of any Shares acquired hereunder, from any amounts owed to the Participant, or may require a Participant, as a condition to the exercise of the purchase right or the sale of such Shares to remit such taxes to the Participating Company or make other arrangements satisfactory to the Participating Company with respect thereto, which may include, at the Plan Administrator's discretion, electing to have any Shares issued under the Plan withheld or to surrender to the Company or the Participating Company Shares already owned by the Participant to fulfill any tax withholding obligation; provided, however, in no event shall the fair market value of the number of Shares so withheld (or accepted) exceed the amount necessary to meet the minimum Federal, state and local marginal tax rates then in effect that are applicable to the Participant and to the particular transaction.

(d) **Limitation of Implied Rights.** The Plan does not constitute a contract of employment or continued service and participation in the Plan will not give any employee the right to be retained in the employ of any Participating Company or any right or claim to any benefit under the Plan unless such right or claim has specifically accrued under the terms of the Plan. Participation in the Plan by a Participant shall not create any rights in such Participant as a shareholder of the Company until Shares are registered in the name of the Participant.

(e) **Gender and Number.** Where the context admits, words in one gender shall include the other gender, words in the singular shall include the plural and the plural shall include the singular.

(f) **Governing Law; Limitations on Actions.** The Plan shall be construed in accordance with and governed by the laws of the State of Delaware, without reference to any conflict of law principles thereof. Any legal action or proceeding with respect to this Plan must be brought within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint.

(g) **Severability.** If any provision of the Plan (i) is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or purchase right, or (ii) would disqualify the Plan under any law deemed applicable by the Board or the Plan Administrator, including Code Section 423, then such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board or the Plan Administrator, materially altering the intent of the Plan, then such provision shall be stricken as to such jurisdiction, person or purchase right, and the remainder of the Plan shall remain in full force and effect.

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Table of Contents**Appendix B****MARRIOTT VACATIONS WORLDWIDE CORPORATION****Reconciliation of Non-GAAP Measures to GAAP Measures****(Unaudited)**

In this Proxy Statement, we present Adjusted EBITDA, a financial measure that is not prescribed or authorized by United States generally accepted accounting principles (GAAP). The schedule below reconciles Adjusted EBITDA to net income, which is the most directly comparable GAAP financial measure. Although we evaluate and present Adjusted EBITDA for the reasons described below, and because it is a financial objective with respect to which amounts payable under the Bonus Plan may be earned by our named executive officers, please be aware that Adjusted EBITDA has limitations and should not be considered in isolation or as a substitute for net income or any other comparable operating measure prescribed by GAAP. In addition, Adjusted EBITDA may be calculated and/or presented differently than measures with the same or similar names that are reported by other companies, and as a result, Adjusted EBITDA we report may not be comparable to those reported by others.

EBITDA is defined as earnings, or net income, before interest expense (excluding consumer financing interest expense), provision for income taxes, depreciation and amortization. For purposes of our EBITDA calculation, we do not adjust for consumer financing interest expense because the associated debt is secured by vacation ownership notes receivable that have been sold to bankruptcy remote special purpose entities and is generally non-recourse to us. Further, we consider consumer financing interest expense to be an operating expense of our business. Adjusted EBITDA reflects additional adjustments for certain charges, gains and Europe Rescission Adjustments, as discussed below.

We consider Adjusted EBITDA to be an indicator of operating performance, and we use it to measure our ability to service debt, fund capital expenditures and expand our business. We also use it, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. For example, interest expense can be dependent on a company's capital structure, debt levels and credit ratings. Accordingly, the impact of interest expense on earnings can vary significantly among companies. The tax positions of companies can also vary because of their differing abilities to take advantage of tax benefits and because of the tax policies of the jurisdictions in which they operate. As a result, effective tax rates and provision for income taxes can vary considerably among companies. Adjusted EBITDA also excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and depreciating productive assets. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. Adjusted EBITDA also allows for period-over-period comparisons of our on-going core operations before the impact of certain charges, gains and Europe Rescission Adjustments and facilitates our comparison of results from our on-going core operations with results from other vacation ownership companies.

EBITDA AND ADJUSTED EBITDA**52 Weeks Ended January 2, 2015 and 53 Weeks Ended January 3, 2014****(In millions)**

	As Reported 52 Weeks Ended		As Adjusted 52 Weeks Ended		As Reported 53 Weeks Ended		As Adjusted Europe 53 Weeks Ended	
	January 2, 2015	Certain Charges	January 2, 2015	January 3, 2014	Certain Charges	Rescission Adjustment	January 3, 2014	
Net income	\$ 81	\$ 20	\$ 101	\$ 80	\$ 15	\$ (10)	\$ 85	
Interest expense ⁽¹⁾	12		12	13			13	
Tax provision	70	(2)	68	51	5	(2)	54	
Depreciation and amortization	19		19	23			23	
EBITDA	\$ 182	\$ 18	\$ 200	\$ 167	\$ 20	\$ (12)	\$ 175	

⁽¹⁾ Interest expense excludes consumer financing interest expense.

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Certain Charges 52 weeks ended January 2, 2015. To calculate Adjusted EBITDA for the 52 weeks ended January 2, 2015, we made adjustments to exclude \$23 million of net pre-tax charges recorded in the period, which included a \$24 million non-cash loss associated with the disposition of partially developed land, an operating golf course, spa and clubhouse and related facilities at a former resort in our North America segment and settlement of related litigation, \$3 million of organizational and separation related costs, a \$3 million litigation settlement in our North America segment, and a \$1 million impairment charge associated with a project in our North America segment, partially offset by \$8 million of income associated with the settlement of a dispute with a former service provider in our North America segment. We also made adjustments to exclude \$5 million of pre-tax gains recorded in the period, which included a \$3 million gain associated with the sale of undeveloped and partially developed land, an operating golf course and related assets in our North America segment and a \$2 million gain associated with the sale of a golf course and adjacent undeveloped land in our North America segment.

Certain Charges 53 weeks ended January 3, 2014. To calculate Adjusted EBITDA for the 53 weeks ended January 3, 2014, we made adjustments to exclude \$20 million of net pre-tax charges recorded in the period, which included \$12 million of organizational and separation related costs, an \$8 million increase in our accrual for remaining costs we expected to incur in connection with our interest in an equity method investment in a joint venture project in our North America segment, \$5 million for a litigation settlement in our Europe segment, \$2 million of severance costs in our Europe segment recorded, and a \$1 million pre-tax non-cash impairment charge related to a leased golf course at a project in our Europe segment, partially offset by a \$7 million gain for cash received in payment of fully reserved receivables in connection with an equity method investment in a joint venture project in our North America segment, and a \$1 million reversal of a previously recorded litigation settlement related to a project in our North America segment, based upon an agreement to settle the matter for an amount less than our accrual.

Europe Rescission Adjustments 53 weeks ended January 3, 2014. In the second quarter of 2013, during the course of an internal review of certain sales documentation processes related to the sale of certain vacation ownership interests in properties associated with our Europe segment, we determined that the documentation we provided for certain sales of vacation ownership products was not strictly compliant. As a result, in accordance with applicable European regulation, the period of time during which purchasers of such interests may rescind their purchases was extended. We record revenues from the sale of vacation ownership products once the rescission period has ended. Originally, we recorded revenues from these sales of vacation ownership products based on the rescission periods in effect assuming compliant documentation had been provided to the purchasers, rather than the extended periods. As a result, we recognized revenue in incorrect periods between fiscal years 2010 and 2013 and misstated revenues in our previously filed consolidated financial statements. We provided compliant documentation to purchasers for whom the extended rescission period had not yet expired. As compliant documentation was subsequently provided as part of the corrective actions we took, the extended rescission period for most of the purchases at issue ended during the second quarter of 2013. To better reflect our on-going core operations and allow for period-over-period comparisons, we have excluded the impact associated with the extended rescission periods in our adjusted financial measures. In our Statement of Income for the 53 weeks ended January 3, 2014, we recorded after-tax Europe Rescission Adjustments of \$10 million, which included a \$21 million pre-tax increase in Sale of vacation ownership products revenues, pre-tax increases of \$7 million and \$2 million in Cost of vacation ownership products expense and Marketing and sales expense, respectively, associated with the change in revenues from the Sale of vacation ownership products, and a \$2 million increase in the Provision for income taxes associated with the change in Income before income taxes. To calculate Adjusted EBITDA for the 53 weeks ended January 3, 2014, we made adjustments to exclude the impact of the after-tax Europe Rescission Adjustments.

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