

MARRIOTT INTERNATIONAL INC /MD/

Form 424B5

March 07, 2019

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-223058

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed	Proposed	Amount of Registration Fee
		Maximum Offering Price Per Note	Maximum Aggregate Offering Price	
Floating Rate Series BB Notes due 2021	\$300,000,000	100%	\$300,000,000	\$36,360
3.600% Series CC Notes due 2024	\$550,000,000	100%	\$550,000,000	\$66,660
Total	\$850,000,000	100%	\$850,000,000	\$103,020

**Table of Contents****PROSPECTUS SUPPLEMENT****(To prospectus dated February 15, 2018)****\$850,000,000****Marriott International, Inc.****\$300,000,000 Floating Rate Series BB Notes due 2021****\$550,000,000 3.600% Series CC Notes due 2024**

The Floating Rate Series BB Notes due 2021 (the Series BB Notes ) will bear interest at a floating rate equal to LIBOR (as defined in Description of the Notes ) plus 0.65% per annum. The 3.600% Series CC Notes due 2024 (the Series CC Notes and, together with the Series BB Notes, the notes, and each a separate series of notes) will bear interest at the rate of 3.600% per annum. The Series BB Notes will mature on March 8, 2021, and the Series CC Notes will mature on April 15, 2024. We will pay interest on the Series BB Notes quarterly in arrears on March 8, June 8, September 8 and December 8 of each year, beginning on June 8, 2019. We will pay interest on the Series CC Notes on April 15 and October 15 of each year, beginning on October 15, 2019. Except in the case of a change in control repurchase event, as described herein, we may not redeem the Series BB Notes prior to maturity. We may redeem some or all of the Series CC Notes prior to maturity at the redemption prices described in this prospectus supplement. If a change of control repurchase event as described herein occurs, unless, in the case of the Series CC Notes, we have exercised our option to redeem such notes, we will be required to offer to purchase the notes at the price described in this prospectus supplement, plus accrued and unpaid interest, if any, to the date of purchase.

The notes will be our unsecured obligations and rank equally with all of our other unsecured senior indebtedness. The notes of each series will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

**Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-4 of this prospectus supplement.**

	<b>Per Series BB Note</b>	<b>Series BB Total</b>	<b>Per Series CC Note</b>	<b>Series CC Total</b>	<b>Notes Total</b>
Public offering price <sup>(1)</sup>	100.000%	\$ 300,000,000	99.516%	\$ 547,338,000	\$ 847,338,000

Underwriting discount	0.350%	\$ 1,050,000	0.600%	\$ 3,300,000	\$ 4,350,000
Proceeds, before expenses, to Marriott International, Inc.	99.650%	\$ 298,950,000	98.916%	\$ 544,038,000	\$ 842,988,000

(1) Plus accrued interest from March 8, 2019, if settlement occurs after that date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The notes will be ready for delivery in book-entry form only through The Depository Trust Company for the accounts of its direct and indirect participants (including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking S.A.) on or about March 8, 2019.

*Joint Book-Running Managers*

Wells Fargo Securities  
BofA Merrill Lynch

Deutsche Bank Securities

Goldman Sachs & Co. LLC  
J.P. Morgan

*Senior Co-Managers*

Citigroup  
Fifth Third Securities

Scotiabank  
HSBC

US Bancorp  
SunTrust Robinson Humphrey

*Co-Managers*

The Williams Capital Group, L.P.  
Capital One Securities  
COMMERZBANK

Barclays  
MUFG  
Santander

BNY Mellon Capital Markets, LLC  
PNC Capital Markets LLC  
TD Securities

Loop Capital Markets

ANZ Securities

The date of this prospectus supplement is March 6, 2019

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or any free writing prospectus provided, authorized or used by us. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

As used in this prospectus supplement and the accompanying prospectus, unless the context requires otherwise, we, us, the Company or Marriott means Marriott International, Inc. and its predecessors and consolidated subsidiaries.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document contains two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to us. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the notes we are offering by this prospectus supplement. You should read this entire prospectus supplement, as well as the accompanying prospectus, and the documents incorporated by reference. See [Where You Can Find More Information](#).

To the extent any inconsistency or conflict exists between the information included in this prospectus supplement and the information included in the accompanying prospectus, the information included or incorporated by reference in this prospectus supplement updates and supersedes the information in the accompanying prospectus. This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus supplement.

**FORWARD-LOOKING STATEMENTS**

We make forward-looking statements in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference based on the beliefs and assumptions of our management and on information currently available to us. Forward-looking statements include information about our possible or assumed future results of operations in [Management's Discussion and Analysis of Financial Condition and Results of Operations](#) under the headings [Business and Overview](#) and [Liquidity and Capital Resources](#) included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and other statements preceded by, followed by, or that include the words [believes](#), [expects](#), [anticipates](#), [intends](#), [plans](#), [estimates](#) or similar expressions.

Any number of risks and uncertainties could cause actual results to differ materially from those we express in our forward-looking statements, including the risks and uncertainties described on page S-4 of this prospectus supplement and other factors we describe from time to time in our periodic filings with the U.S. Securities and Exchange Commission (the [SEC](#)) (which we incorporate by reference in this prospectus supplement and in the accompanying prospectus). We therefore caution you not to rely unduly on any forward-looking statement. The forward-looking statements in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference speak only as of the date of the document in which the forward-looking statement is made, and we undertake no obligation to update or revise any forward-looking statement, whether due to new information, future developments, or otherwise.

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**SUMMARY**

*The following summary highlights selected information from this prospectus supplement and may not contain all of the information that is important to you. This prospectus supplement includes the basic terms of the notes we are offering, as well as information regarding our business and financial data. We encourage you to read this prospectus supplement and the accompanying prospectus in their entirety as well as the information incorporated by reference.*

**The Company**

Marriott International, Inc. is one of the world's leading lodging companies. We are a worldwide operator, franchisor, and licensor of hotel, residential, and timeshare properties under numerous brand names at different price and service points.

We operate, franchise or license 6,906 properties worldwide, with 1,317,368 rooms as of December 31, 2018. We believe that our portfolio of brands, shown in the following table, is the largest and most compelling range of brands and properties of any lodging company in the world. Consistent with our focus on management, franchising, and licensing, we own very few of our lodging properties. Our principal brands are listed in the following table:

Our principal executive offices are located at 10400 Fernwood Road, Bethesda, Maryland 20817. Our telephone number is (301) 380-3000.

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**The Offering**

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see Description of the Notes.

Issuer	Marriott International, Inc.
Notes offered	<p>\$850,000,000 aggregate principal amount of notes consisting of:</p> <p>\$300,000,000 aggregate principal amount of Floating Rate Series BB Notes due 2021.</p> <p>\$550,000,000 aggregate principal amount of 3.600% Series CC Notes due 2024.</p>
Maturity	<p>The Series BB Notes will mature on March 8, 2021.</p> <p>The Series CC Notes will mature on April 15, 2024.</p>
Interest	<p>The Series BB Notes will bear interest at a floating rate equal to LIBOR (as defined in Description of the Notes ) plus 0.65% per annum.</p> <p>The Series CC Notes will bear interest at a rate of 3.600% per annum.</p>
Interest payment dates	<p>Interest on the Series BB Notes will accrue from March 8, 2019 and will be payable quarterly in arrears on March 8, June 8, September 8 and December 8 of each year, beginning on June 8, 2019.</p> <p>Interest on the Series CC Notes will accrue from March 8, 2019 and will be payable semi-annually on April 15 and October 15 of each year, beginning on October 15, 2019.</p>
Ranking	The notes will be our unsecured senior obligations and will rank equally with all of our existing and future unsecured and unsubordinated indebtedness. The notes will be structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of

each of our subsidiaries. As of December 31, 2018, our subsidiaries collectively had outstanding long term-debt of \$341 million, which represents approximately 4.0% of our total consolidated long-term debt before issuance of the notes.

Optional redemption

Except in the case of a change in control repurchase event, as described below, we may not redeem the Series BB Notes prior to maturity.

We may redeem the Series CC Notes in whole or in part from time to time, at our option, prior to March 15, 2024 (one month prior to the maturity date of the Series CC Notes), at a redemption price described under the heading Description of the Notes Redemption at Our Option in this prospectus supplement, plus any accrued and unpaid interest on the Series CC Notes being redeemed to, but not including, the redemption date.



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We may redeem the Series CC Notes in whole or in part from time to time, at our option, on or after March 15, 2024 (one month prior to the maturity date of the Series CC Notes), at a redemption price equal to 100% of the principal amount of the notes being redeemed, plus any accrued and unpaid interest on the Series CC Notes being redeemed to, but not including, the redemption date.

Purchase of notes upon a change of control repurchase event	If we experience a change of control (defined herein) and the notes of a series are rated below investment grade (defined herein) by S&P Global Ratings ( S&P ) and Moody s Investors Service, Inc. ( Moody s ) (or the equivalent under any successor rating categories of S&P s or Moody s, respectively), we will offer to repurchase all of such series of notes at a price equal to 101% of the principal amount plus accrued and unpaid interest to the repurchase date. See Description of the Notes Change of Control.
Covenants	We will agree to certain restrictions on liens, sale and leaseback transactions, mergers, consolidations and transfers of substantially all of our assets. These covenants are subject to important qualifications and exceptions. See Description of the Notes Certain Covenants.
Further issuances of notes	We will issue the notes under an Indenture, dated as of November 16, 1998, between us and The Bank of New York Mellon, as trustee (the Indenture ). We may, without the consent of the existing holders of a series of notes, issue additional notes of the same series having the same terms so that such existing notes and additional notes form a single series under the Indenture.
Governing law	The notes and the Indenture will be governed by New York law.
Trustee and calculation agent	The Bank of New York Mellon.
Use of proceeds	We estimate that the net proceeds from this offering of notes, after deducting the underwriting discount and estimated expenses of this offering, will be approximately \$841 million. We intend to use these net proceeds for general corporate purposes, which may include working capital, capital expenditures, acquisitions, stock repurchases or repayment of outstanding commercial paper or other borrowings.



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**RISK FACTORS**

*You should consider carefully the following risks and all of the information set forth or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risks and uncertainties described under the heading Risk Factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, before investing in the notes offered by this prospectus supplement.*

**Risks Relating to the Notes**

***We depend on cash flow of our subsidiaries to make payments on our securities.***

Marriott International, Inc. is in part a holding company. Our subsidiaries conduct a significant percentage of our consolidated operations and own a significant percentage of our consolidated assets. Consequently, our cash flow and our ability to meet our debt service obligations depend in large part upon the cash flow of our subsidiaries and the payment of funds by the subsidiaries to us in the form of loans, dividends or otherwise. Our subsidiaries are not obligated to make funds available to us for payment of our debt securities or preferred stock dividends or otherwise. In addition, their ability to make any payments will depend on their earnings, the terms of their indebtedness, business and tax considerations and legal restrictions. The notes effectively rank junior to all liabilities of our subsidiaries. In the event of a bankruptcy, liquidation or dissolution of a subsidiary and following payment of its liabilities, the subsidiary may not have sufficient assets remaining to make payments to us as a shareholder or otherwise. The Indenture does not limit the amount of unsecured debt which our subsidiaries may incur. In addition, we and our subsidiaries may incur secured debt and enter into sale and leaseback transactions, subject to certain limitations. See Description of the Notes Certain Covenants.

***A liquid trading market for the notes may not develop.***

There may be no trading market for any series of the notes. We have been advised by the underwriters for this offering that they presently intend to make a market in the notes of each series after the consummation of the offering contemplated by this prospectus supplement, although they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. The liquidity of any market for any series of the notes will depend upon the number of holders of those notes, our performance, the market for similar securities, the interest of securities dealers in making a market in those notes and other factors. A liquid trading market may not develop for any series of the notes. As a result, the market price of the notes could be adversely affected.

***We may not be able to repurchase the notes upon a change of control repurchase event.***

Upon the occurrence of specific kinds of change of control events accompanied by a below investment grade rating event with respect to a series of notes, we will be required to offer to purchase all of the notes of such series at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase, unless, in the case of the Series CC Notes, we had previously exercised our right to redeem the Series CC Notes. If we experience such a change of control and rating downgrade, we cannot assure you that we would have sufficient financial resources available to satisfy our obligations to repurchase such notes. Our failure to purchase the notes of a series as required under the terms of the notes would result in a default with respect to such series, which could have material adverse consequences for us and the holders of the applicable notes. See Description of the Notes Change of Control.

***The amount of interest payable on the Series BB Notes is set only once per interest period based on three-month LIBOR on the interest determination date, which rate may fluctuate substantially.***

In the past, the level of three-month LIBOR has experienced significant fluctuations. You should note that historical levels, fluctuations and trends of three-month LIBOR are not necessarily indicative of future levels.

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Any historical upward or downward trend in three-month LIBOR is not an indication that three-month LIBOR is more or less likely to increase or decrease at any time during an interest rate period for the Series BB Notes, and you should not take the historical levels of three-month LIBOR as an indication of its future performance. You should further note that although the actual three-month LIBOR on an interest payment date or at other times during an interest period may be higher than three-month LIBOR on the applicable interest determination date, an investor in the Series BB Notes will not benefit from three-month LIBOR at any time other than on the interest determination date for such interest period. As a result, changes in three-month LIBOR may not result in a comparable change in the market value of the Series BB Notes.

***Increased regulatory oversight, uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR after 2021 may adversely affect the value of the Series BB Notes.***

Regulators and law enforcement agencies in the United Kingdom and elsewhere are conducting civil and criminal investigations into whether the banks that contribute to the Intercontinental Exchange Benchmark Administration (the ICE ) in connection with the calculation of daily LIBOR may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR. A number of contributor banks have entered into settlements with their regulators and law enforcement agencies with respect to this alleged manipulation of LIBOR. Actions by the ICE, regulators or law enforcement agencies may result in changes to the manner in which LIBOR is determined or the establishment of alternative reference rates. For example, on July 27, 2017, the U.K. Financial Conduct Authority (the FCA ) announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR rates after 2021 (the FCA Announcement ). The FCA Announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. Furthermore, in the United States, efforts to identify a set of alternative U.S. dollar reference interest rates include proposals by the Alternative Reference Rates Committee of the Federal Reserve Board and the Federal Reserve Bank of New York. On August 24, 2017, the Federal Reserve Board requested public comment on a proposal by the Federal Reserve Bank of New York, in cooperation with the Office of Financial Research, to produce three new reference rates intended to serve as alternatives to LIBOR. These alternative rates are based on overnight repurchase agreement transactions secured by U.S. Treasury Securities. On December 12, 2017, following consideration of public comments, the Federal Reserve Board concluded that the public would benefit if the Federal Reserve Bank of New York published the three proposed reference rates as alternatives to LIBOR (the Federal Reserve Board Notice ). The Federal Reserve Bank of New York began publication of these alternative rates on April 3, 2018.

At this time, it is not possible to predict the effect of the FCA Announcement, the Federal Reserve Board Notice or other regulatory changes or announcements, any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom, the United States or elsewhere. Uncertainty as to the nature of such potential changes, alternative reference rates or other reforms may adversely affect the trading market for LIBOR-based securities, including the Series BB Notes. In addition, any changes announced by the ICE, the FCA, including the FCA Announcement, other regulators or any other successor governance or oversight body, or future changes adopted by such body, in the method pursuant to which the LIBOR rates are determined may result in a sudden or prolonged increase or decrease in the reported LIBOR rates. If that were to occur, the level of interest payments and the value of the Series BB Notes may be affected. Further, uncertainty as to the extent and manner of future changes may adversely affect the current trading market for LIBOR-based securities and the value of the Series BB Notes.

Pursuant to the terms of the Series BB Notes, if LIBOR were to be permanently discontinued, or the reference to LIBOR becomes illegal, or most other debt obligations similar to the Series BB Notes have converted away from LIBOR to a new reference rate, an alternative reference rate will be used that is consistent with accepted market practice at the time, as described in Description of the Notes, which could result in an interest rate that is different

from what would have otherwise been calculated using LIBOR and could materially affect the value of the Series BB Notes. Any such change in the calculation of the interest rate on the Series BB Notes may result in U.S. federal income tax or other tax consequences to holders or beneficial owners of the Series BB Notes.

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**USE OF PROCEEDS**

We estimate that the net proceeds from this offering of notes, after deducting the underwriting discount and estimated expenses of this offering, will be approximately \$841 million.

We intend to use the net proceeds from the sale of the notes in this offering for general corporate purposes, which may include working capital, capital expenditures, acquisitions, stock repurchases or repayment of outstanding commercial paper or other borrowings.

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**DESCRIPTION OF THE NOTES**

**General**

The notes are governed by a document called the Indenture. The Indenture is a contract between us and The Bank of New York Mellon, as successor to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank, which acts as trustee (the Trustee). The Indenture and its associated documents contain the full legal text of the matters described in this section. The Indenture and the notes are governed by New York law. A copy of the Indenture has been filed with the SEC. See [Where You Can Find More Information](#) for information on how to obtain a copy.

Because this section is a summary, it does not describe every aspect of the notes. This summary is subject to and qualified in its entirety by reference to all the provisions of the Indenture, including definitions of certain terms used in the Indenture. For example, in this section we use capitalized words to signify defined terms that have been given special meaning in the Indenture. We describe in this prospectus supplement the meaning of some terms defined in the Indenture. You should refer to the Indenture for the meanings of all of the defined terms. We also include references in parentheses to certain sections of the Indenture. Whenever we refer to particular sections or defined terms of the Indenture in this prospectus supplement, such sections or defined terms are incorporated by reference here.

**Terms**

Each series of notes is a separate series of debt securities. The notes will be our general unsecured and senior obligations and will initially be limited to \$850,000,000 aggregate principal amount. The Series BB Notes and the Series CC Notes are initially being offered in the respective principal amounts of \$300,000,000 and \$550,000,000. The Series BB Notes will mature on March 8, 2021. The Series CC Notes will mature on April 15, 2024. The notes will rank equally with all of our other unsecured and unsubordinated debt. We will issue the notes under the Indenture. We may, without the consent of the existing holders of a series of notes, issue additional notes of the same series having the same terms (other than the issue date, public offering price and, if applicable, the initial interest payment date) so that such existing notes and additional notes form a single series under the Indenture.

Marriott International, Inc. is a legal entity separate and distinct from its subsidiaries. Our subsidiaries are not obligated to make required payments on the notes. Accordingly, Marriott's rights and the rights of holders of the notes to participate in any distribution of the assets or income from any subsidiary is necessarily subject to the prior claims of creditors of the subsidiary. The Indenture does not limit the amount of unsecured debt which our subsidiaries may incur. In addition, we and our subsidiaries may incur secured debt and enter into sale and leaseback transactions, subject to the limitations described under [Certain Covenants](#).

The notes will not be entitled to the benefit of any sinking fund or other mandatory redemption provisions.

*Interest on the Series BB Notes*

The Series BB Notes will bear interest from the date of original issuance or from the most recent interest payment date to which interest has been paid or provided for at a rate per annum equal to the initial interest rate and thereafter at an interest rate that will be reset as described below, in each case equal to LIBOR (as defined below) plus 0.65% per annum, provided that such interest rate shall not be less than zero.

We will pay interest on the Series BB Notes quarterly in arrears on March 8, June 8, September 8 and December 8 of each year (each as may be adjusted as provided below), beginning on June 8, 2019, to the person listed as the holder of the note, or any predecessor note, in the security register at the close of business on the preceding February 22, May



25, August 25 or November 24 (whether or not a business day), as the case may be. These dates are the Regular Record Dates for the Series BB Notes.

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If an interest payment date for the Series BB Notes, other than the stated maturity date or any redemption date, falls on a day that is not a business day, the interest payment date shall be postponed to the next succeeding business day (as so adjusted and interest shall accrue for the additional days) unless such next succeeding business day would be in the following month, in which case, the interest payment date shall be the immediately preceding business day. If the stated maturity date or any repurchase date for the Series BB Notes is not a business day, the payment otherwise required to be made on such date will be made on the next business day without any additional payment as a result of such delay.

The calculation agent will determine the initial interest rate for the Series BB Notes by reference to LIBOR on the second London banking day preceding the original issue date and the interest rate for each succeeding interest period by reference to LIBOR on the second London banking day preceding the first day of the applicable interest period, each of which we refer to as an interest determination date.

The calculation agent for the Series BB Notes will be The Bank of New York Mellon, which we refer to as the calculation agent. Upon the request of the holder of any Series BB Note, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the first day of the next interest period.

London banking day means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

The interest rate for the Series BB Notes will be based on the London interbank offered rate, which we refer to as LIBOR, and will be determined by the calculation agent as follows:

- (i) As of an interest determination date, LIBOR will be equal to the offered rate for deposits in U.S. dollars having an index maturity of three months, in amounts of at least \$1,000,000, as such rate appears on Bloomberg L.P.'s page BBAM (or any successor page) at approximately 11:00 a.m., London time, on such interest determination date. If on an interest determination date, such rate does not appear on Bloomberg L.P.'s page BBAM (or any successor page) as of 11:00 a.m., London time, or if Bloomberg L.P.'s page BBAM (or any successor page) is not available on such date, the calculation agent will obtain such rate from the Reuters Page LIBOR01.
- (ii) If no rate appears on Bloomberg L.P.'s page BBAM (or any successor page) or Reuters Page LIBOR01 or if any such page or service shall cease to be available, then the calculation agent will request the principal London offices of each of four major reference banks (which may include any underwriters, agents or their affiliates) in the London interbank market, as selected by us, to provide the calculation agent with its offered quotation for deposits in U.S. dollars for a period of three months in amounts of at least \$1,000,000, commencing on the first day of the related interest period, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that interest determination date and in a principal amount that is representative of a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR will be determined for the related interest period as the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York time, on that interest determination date, by three major banks (which may include any underwriters, agents or their affiliates) in New York, New York, as selected by us, for loans in U.S. dollars to leading European banks having an index maturity of three months commencing on the first date of the relevant interest period, and in a principal amount of at least \$1,000,000 that is representative of a single transaction in U.S. dollars in that market at that time. If the banks so selected by us are not quoting as set forth above, LIBOR for that interest determination date will remain LIBOR for the immediately preceding interest period, or, if there was no preceding interest period, the rate of interest payable will be the initial interest rate.

(iii) Notwithstanding clause (ii) above, if we determine that three-month LIBOR has been permanently discontinued, or the reference to three-month LIBOR becomes illegal, or most other debt obligations similar to

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the Series BB Notes have converted away from three-month LIBOR to a new reference rate, the calculation agent will use, as directed by us, as a substitute for three-month LIBOR and for each future interest determination date, the alternative reference rate (the *Alternative Rate* ) selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with accepted market practice. As part of such substitution, the calculation agent will, as directed by us, make such adjustments ( *Adjustments* ) to the *Alternative Rate* and the spread thereon to account for the basis between three-month LIBOR and the *Alternative Rate*, as well as the business day convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such *Alternative Rate* for debt obligations such as the Series BB Notes. If we determine that there is no clear market consensus as to whether any rate has replaced three-month LIBOR in customary market usage, we may appoint in our sole discretion an independent financial advisor (the *IFA* ) to determine an appropriate *Alternative Rate*, and any *Adjustments* and the decision of the *IFA* will be binding on us, the calculation agent, the Trustee and the holders of the Series BB Notes. If, however, we determine that three-month LIBOR has been discontinued, but for any reason an *Alternative Rate* has not been determined, three-month LIBOR will be equal to such rate on the interest determination date when three-month LIBOR was last available on Bloomberg L.P.'s page *BBAM* (or any successor page), as determined by the calculation agent.

Interest on the Series BB Notes will be computed on the basis of the actual number of days in an interest period and a 360-day year. All percentages used in or resulting from any calculation of the rate of interest on a Series BB Note will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with .000005% rounded up to .00001%), and all U.S. dollar amounts used in or resulting from these calculations will be rounded to the nearest cent (with one-half cent rounded upward).

The interest rate on the Series BB Notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

*Interest on the Series CC Notes*

The Series CC Notes will bear interest at a rate of 3.600% per annum. Interest on the Series CC Notes will accrue from March 8, 2019 and will be payable semi-annually on April 15 and October 15 of each year, beginning on October 15, 2019, to the person listed as the holder of the note, or any predecessor note, in the security register at the close of business on the preceding April 1 or October 1 (whether or not a business day), as the case may be. These dates are the *Regular Record Dates* for the Series CC Notes.

If any interest payment date, stated maturity date or redemption or repurchase date for the Series CC Notes is not a business day, the payment otherwise required to be made on such date will be made on the next business day without any additional payment as a result of such delay.

**The Trustee**

The Trustee under the Indenture has two main roles. First, the Trustee can enforce your rights against us if we default on our obligations under our debt securities. There are some limitations on the extent to which the

Trustee acts on your behalf, described below under *Default and Related Matters Remedies If an Event of Default Occurs*. Second, the Trustee performs administrative duties for us, such as sending you interest payments, sending you notices and transferring your debt securities to a new buyer if you sell. Additionally, the Trustee will serve as calculation agent for the Series BB Notes.

**Redemption at Our Option**

Except in the case of a change in control repurchase event, as described below, we may not redeem the Series BB Notes prior to maturity.

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We may redeem the Series CC Notes in whole or in part from time to time, at our option, prior to March 15, 2024 (one month prior to the maturity date of the Series CC Notes) (the Series CC Par Call Date), at a redemption price equal to the greater of:

100% of the principal amount of the Series CC Notes to be redeemed, and

as determined by the Independent Investment Banker, the sum of the present values of the principal amount of, and remaining scheduled payments of interest on, the Series CC Notes to be redeemed (not including any interest accrued as of the redemption date) discounted to the redemption date on a semiannual basis on the Series CC Notes to be redeemed (through to the Series CC Par Call Date) at the Treasury Rate plus 20 basis points.

We may redeem the Series CC Notes in whole or in part from time to time, at our option, on or after the Series CC Par Call Date, at a redemption price equal to 100% of the principal amount of the Series CC Notes being redeemed.

In the case of any such redemption of the Series CC Notes, we will also pay accrued and unpaid interest to, but not including, the redemption date.

The redemption price of any such notes redeemed will be calculated assuming a 360-day year consisting of twelve 30-day months.

Treasury Rate means, with respect to any redemption date, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month), calculated on the third business day preceding the redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term (assuming that the Series CC Notes matured on the Series CC Par Call Date) (the Remaining Life) of the Series CC Notes that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Series CC Notes.

Comparable Treasury Price means, with respect to any redemption date:

the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of the Reference Treasury Dealer Quotations, or

if the Independent Investment Banker obtains fewer than three Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so received.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by us.

Reference Treasury Dealer means each of (a) Wells Fargo Securities, LLC and Goldman Sachs & Co. LLC or an affiliate or successor thereof, unless any of the foregoing ceases to be a primary U.S. government securities dealer in New York City (a Primary Treasury Dealer), in which case we shall substitute another Primary Treasury Dealer, and (b) any other Primary Treasury Dealer selected by us.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding that redemption date.

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We will deliver notice of any optional redemption at least 15 days but not more than 45 days before the redemption date to each holder of the Series CC Notes to be redeemed.

If we choose to redeem less than all of the Series CC Notes, we will notify the Trustee at least 5 business days prior to giving notice of redemption of such series of notes, or a shorter period as may be satisfactory to the Trustee, of the aggregate principal amount of such series of notes to be redeemed and their redemption date. The notes of such series to be redeemed in whole or in part will be selected in a manner that complies with the requirements of the Depositary.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Series CC Notes or portions of the Series CC Notes called for redemption.

## **Change of Control**

If a change of control repurchase event occurs as to a series of notes, unless, in the case of the Series CC Notes, we have exercised our right to redeem such series of notes in whole as described under Redemption at Our Option, we will make an offer to each holder of notes of such series to repurchase all or any part (in excess of \$2,000 in integral multiples of \$1,000) of that holder's notes at a repurchase price in cash equal to 101% of the aggregate principal amount of notes repurchased plus any accrued and unpaid interest on the notes repurchased to the date of purchase. Within 30 days following any change of control repurchase event or, at our option, prior to any change of control, but after the public announcement of the change of control, we will deliver a notice to each holder of notes of such series, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the change of control repurchase event and offering to repurchase notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent. The notice shall, if sent prior to the date of consummation of the change of control, state that the offer to purchase is conditioned on the change of control repurchase event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a change of control repurchase event. To the extent that the provisions of any securities laws or regulations conflict with the change of control repurchase event provisions of the notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the change of control repurchase event provisions of the notes by virtue of such conflict.

On the change of control repurchase event payment date, we will, to the extent lawful:

accept for payment all notes or portions of notes of the relevant series properly tendered pursuant to our offer;

deposit with the paying agent an amount equal to the aggregate purchase price in respect of all notes or portions of notes of the relevant series properly tendered; and

deliver or cause to be delivered to the Trustee the notes of the relevant series properly accepted, together with an officers' certificate stating the aggregate principal amount of notes being purchased by us.



The paying agent will promptly pay to each holder of notes properly tendered the purchase price for the notes, and the Trustee will promptly authenticate and deliver (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any notes surrendered; provided that each new note will be in a principal amount of \$2,000 or an integral multiple of \$1,000.

We will not be required to make an offer to repurchase the notes of a series upon a change of control repurchase event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all notes of such series properly tendered and not withdrawn under its offer.

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**Below investment grade rating event** means, with respect to a series of notes, the notes of such series are rated below investment grade by both Rating Agencies on any date from the date of the public notice of an arrangement that could result in a change of control until the end of the 60-day period following public notice of the occurrence of a change of control (which period shall be extended so long as the rating of such notes is under publicly announced consideration for possible downgrade by either of the Rating Agencies); provided that a below investment grade rating event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular change of control (and thus shall not be deemed a below investment grade rating event for purposes of the definition of change of control repurchase event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform us in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable change of control (whether or not the applicable change of control shall have occurred at the time of the below investment grade rating event).

**Change of control** means the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of our voting stock, measured by voting power rather than number of shares. Notwithstanding the foregoing, a transaction effected to create a holding company for us will not be deemed to involve a change of control if: (1) pursuant to such transaction we become a direct or indirect wholly owned subsidiary of such holding company and (2)(A) the direct or indirect holders of the voting stock of such holding company immediately following that transaction are substantially the same as the holders of our voting stock immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the voting stock of such holding company, measured by voting power rather than number of shares.

**Change of control repurchase event** means the occurrence of both a change of control and a below investment grade rating event.

**Investment grade** means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's); a rating of BBB- or better by S&P (or its equivalent under any successor rating categories of S&P); and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by us.

**Moody's** means Moody's Investors Service, Inc. and its successors.

**Rating Agency** means (1) each of Moody's and S&P; and (2) if either of Moody's or S&P ceases to rate the notes of the applicable series or fails to make a rating of such notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by us (as certified by a resolution of our board of directors) as a replacement agency for Moody's or S&P, or both, as the case may be.

**S&P** means S&P Global Ratings and its successors.

**Voting stock** of any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

## **LEGAL OWNERSHIP**

*Street Name and Other Indirect Holders*

Investors who hold the notes in accounts at banks or brokers will generally not be recognized by us as legal holders of the notes. This is called holding in Street Name. Instead, we would recognize only the bank or

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broker, or the financial institution the bank or broker uses to hold its notes. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments, on the notes, either because they agree to do so in their customer agreements or because they are legally required to. If you hold notes in Street Name, you should check with your own institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle voting if ever required;

whether and how you can instruct it to send you notes registered in your own name so you can be a direct holder as described below; and

how it would pursue rights under the notes if there were a default or other event triggering the need for holders to act to protect their interests.

*Direct Holders*

Our obligations, as well as the obligations of the Trustee and those of any third parties employed by us or the Trustee, run only to Persons who are registered as holders of notes. We do not have obligations to you if you hold in Street Name or other indirect means, either because you choose to hold notes in that manner or because the notes are issued in the form of Global Securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment if that holder is legally required to pass the payment along to you as a Street Name customer but does not do so.

*Global Securities*

The notes of each series will initially be issued only as a registered note in global form without interest coupons, known as a Global Security.

*What is a Global Security?* A Global Security is a special type of indirectly held Security, as described above under Street Name and Other Indirect Holders. The financial institution that acts as the sole direct holder of the Global Security is called the Depository. Any person wishing to own a Global Security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the Depository.

*Special Investor Considerations for Global Securities.* As an indirect holder, an investor's rights relating to a Global Security will be governed by the account rules of the investor's financial institution and of the Depository, as well as general laws relating to securities transfers. We and the Trustee do not recognize this type of investor as a holder of the notes and instead deal only with the Depository that holds the Global Security.

An investor holding interests in a Global Security should be aware that:

the investor cannot get the notes registered in his or her own name;

the investor cannot receive physical certificates for his or her interest in the notes;

the investor will hold in Street Name and must look to his or her own bank or broker for payments on the notes and protection of his or her legal rights relating to the notes;

the investor may not be able to sell interests in the notes to some insurance companies and other institutions that are required by law to own their securities in the form of physical certificates;

the Depositary's policies will govern payments, transfers, exchange and other matters relating to the investor's interest in the Global Security;

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we and the Trustee have no responsibility for any aspect of the Depository's actions or for its records of ownership interests in the Global Security and do not supervise the Depository in any way; and

payment for purchases and sales in the market for corporate bonds and notes is generally made in next-day funds. In contrast, the Depository will usually require that interests in a Global Security be purchased or sold within its system using same-day funds. This difference could have some effect on how Global Security interests trade, but we do not know what that effect will be.

*Special Situations When Global Security Will Be Terminated.* In a few special situations described below, the Global Security will terminate and interests in it will be exchanged for physical certificates representing the notes. After that exchange, the choice of whether to hold the notes directly or in Street Name will be up to the investor. Investors must consult their own bank or brokers to find out how to have their interests in the notes transferred to their own name, so that they will be direct holders. The rights of Street Name investors and direct holders in the debt securities have been previously described in the subsections entitled Street Name and Other Indirect Holders and Direct Holders.

The special situations for termination of a Global Security are:

When the Depository notifies us that it is unwilling, unable or no longer qualified to continue as Depository.

When an Event of Default on the relevant series of notes has occurred and has not been cured. We discuss defaults below under Default and Related Matters Events of Default.

**In the remainder of this description you means direct holders and not Street Name or other indirect holders of debt securities. Indirect holders should read the previous subsection entitled Street Name and Other Indirect Holders.**

## **OVERVIEW OF REMAINDER OF THIS DESCRIPTION**

The remainder of this description summarizes:

additional mechanics relevant to the notes under normal circumstances, such as how you transfer ownership and where we make payments;

your rights under several special situations, such as if we merge with another company or, if we want to change a term of the notes;

promises we make to you about how we will run our business, or business actions we promise not to take (known as restrictive covenants ); and

your rights if we default or experience other financial difficulties.

## **ADDITIONAL MECHANICS**

*Form, Exchange and Transfer*

The notes of each series will be issued:

only in fully registered form;

without interest coupons; and

in denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof. (Section 302)

You may have your notes broken into more notes of smaller denominations or combined into fewer notes of larger denominations, as long as the total principal amount is not changed. (Section 305) This is called an exchange.

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You may exchange or transfer notes at the office of the Trustee. The Trustee acts as our agent for registering notes in the names of holders and transferring notes. We may change this appointment to another entity or perform it ourselves. The entity performing the role of maintaining the list of registered holders is called the Security Registrar. It will also perform transfers. (Section 305) You will not be required to pay a service charge to transfer or exchange notes, but you may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will only be made if the Security Registrar is satisfied with your proof of ownership.

We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts. (Section 1002)

Interest in a global security may be transferred only in compliance with the customary procedures of the Depositary, including the delivery of appropriate certificates and information. If we redeem at our option less than all of the Series CC Notes, we may block the transfer or exchange of such notes during the period beginning 15 days before the day we send the notice of redemption and ending on the day the notice of redemption is sent in order to freeze the list of holders of such notes to prepare the notice of redemption. We may also refuse to register transfers or exchanges of notes selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of notes.

*Payment and Paying Agents*