

VAIL RESORTS INC  
Form DEF 14A  
October 23, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

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

**VAIL RESORTS, INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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    - (2) Form, Schedule or Registration Statement No.:
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-

Table of Contents

390 Interlocken Crescent  
Broomfield, Colorado 80021

**NOTICE OF THE 2014 ANNUAL MEETING OF STOCKHOLDERS**

**To be held on December 5, 2014**

October 23, 2014

To our Stockholders:

The 2014 Annual Meeting of Stockholders of Vail Resorts, Inc., a Delaware corporation (the "*Company*"), will be held on Friday, December 5, 2014 at 9:00 a.m., Mountain Standard Time, at Vail Resorts, Inc.'s corporate headquarters, 390 Interlocken Crescent, Broomfield, Colorado, 80021 to:

- (1) Elect the eight directors named in the attached proxy statement to serve for the ensuing year and until their successors are elected and qualified;
- (2) Hold an advisory vote to approve executive compensation;
- (3) Re-approve the material terms for payment of performance-based incentive compensation for purposes of complying with Section 162(m) of the Internal Revenue Code of 1986;
- (4) Ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending July 31, 2015; and
- (5) Transact such other business as may properly come before the annual meeting or any adjournments or postponements of the annual meeting.

These items of business are more fully described in the proxy statement accompanying this notice.

Only holders of record of shares of our common stock at the close of business on October 14, 2014, which we refer to as the record date, are entitled to receive notice of, and to vote at, the annual meeting or at any postponement or adjournment thereof. A list of stockholders entitled to vote at the annual meeting will be available for examination by any stockholder at the annual meeting and for ten days prior to the annual meeting at our principal executive offices located at 390 Interlocken Crescent, Broomfield, Colorado 80021.

Pursuant to the rules of the Securities and Exchange Commission, or the SEC, we have elected to provide access to our proxy materials over the Internet. Accordingly, we will mail, on or about October 23, 2014, a Notice of Internet Availability of Proxy Materials to our stockholders of record and beneficial owners as of the close of business on October 14, 2014. On the date of mailing of the Notice of Internet Availability of Proxy Materials, all stockholders and beneficial owners will have the ability to access all of the proxy materials on a website referred to and at the URL address included in the Notice of Internet Availability of Proxy Materials.

The Notice of Internet Availability of Proxy Materials will also identify the date, the time and location of the annual meeting; the matters to be acted upon at the annual meeting and the Board of Directors' recommendation with regard to each matter; a toll-free telephone number, an e-mail address, and a website where stockholders can request a paper or e-mail copy of the proxy statement, our annual report and a form of proxy relating to the annual meeting; information on how to access and vote the form of proxy; and information on how to attend the annual meeting and vote in person. These proxy materials will be available free of charge.

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### Table of Contents

Stockholders are cordially invited to attend the annual meeting. If you wish to vote shares held in your name at the annual meeting, please bring your Notice of Internet Availability of Proxy Materials or proxy card (if you previously requested one be mailed to you) and picture identification. If you hold shares through an intermediary, such as a broker, bank or other nominee, you must present proof of ownership to attend the annual meeting. Proof of ownership could include a proxy from your broker, bank or other nominee or a copy of your account statement. Shares held through a broker, bank or other nominee may be voted by you in person at the annual meeting only if you obtain a valid proxy from the broker, bank or other nominee giving you the right to vote the shares and bring such proxy to the annual meeting. Attendance at our annual meeting will be limited to persons presenting a Notice of Internet Availability of Proxy Materials or proxy card (if you requested one) or voting instruction card, account statement or similar evidence of ownership, and picture identification. Attendance at the annual meeting alone will not automatically revoke your previously submitted proxy.

Your vote is extremely important. We appreciate your taking the time to vote promptly. After reading the proxy statement, please vote, at your earliest convenience by telephone or Internet, or request a proxy card to complete, sign and return by mail. If you vote at the annual meeting, your previously submitted proxy will be revoked automatically and only your vote at the annual meeting will be counted. **Your shares cannot be voted unless you vote by: (i) telephone, (ii) Internet, (iii) requesting a paper proxy card, to complete, sign and return by mail, or (iv) attending the annual meeting and voting in person.** Please note that all votes cast via telephone or the Internet must be cast prior to 11:59 p.m., Eastern Standard Time, on Thursday, December 4, 2014.

By Order of the Board of Directors,

Randall E. Mehrberg  
*Executive Vice President,  
General Counsel and Secretary*

Broomfield, Colorado  
October 23, 2014

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## TABLE OF CONTENTS

	Page
<b><u>Proxy Summary</u></b>	1
<b><u>Proposal 1. Election of Directors</u></b>	6
<u>Information with Respect to Nominees</u>	7
<b><u>Management</u></b>	14
<b><u>Security Ownership of Directors and Executive Officers</u></b>	15
<b><u>Information as to Certain Stockholders</u></b>	16
<b><u>Corporate Governance</u></b>	16
<u>Corporate Governance Guidelines</u>	16
<u>Board Leadership and Lead Independent Director</u>	17
<u>Meetings of the Board</u>	17
<u>Executive Sessions</u>	18
<u>Director Nominations</u>	18
<u>Determinations Regarding Independence</u>	18
<u>Communications with the Board</u>	18
<u>Code of Ethics and Business Conduct</u>	19
<u>Risk Management</u>	19
<u>Compensation Risk Assessment</u>	19
<u>Committees of the Board</u>	19
<u>The Audit Committee</u>	20
<u>Audit Committee Report</u>	20
<u>The Compensation Committee</u>	21
<u>Compensation Committee Report</u>	24
<u>The Executive Committee</u>	24
<u>The Nominating &amp; Governance Committee</u>	24
<b><u>Director Compensation</u></b>	25
<u>Director Compensation for Fiscal 2014</u>	25
<u>Director Cash Compensation</u>	26
<u>Director Equity Compensation</u>	26
<u>Limited Director Perquisites and Personal Benefits</u>	26
<u>Stock Ownership Guidelines for Non-Employee Directors</u>	27
<b><u>Section 16(a) Beneficial Ownership Reporting Compliance</u></b>	27
<b><u>Transactions with Related Persons</u></b>	27
<u>Related Party Transactions Policy and Procedures</u>	27
<u>Certain Related-Person Transactions</u>	28
<b><u>Executive Compensation</u></b>	29
<u>Compensation Discussion and Analysis</u>	29
<u>Executive Summary</u>	29
<u>Key Objectives of Our Executive Compensation Program</u>	33
<u>Compensation-Setting Process</u>	33
<u>Elements of Compensation</u>	35
<u>2014 Compensation Decisions</u>	37
<u>Other Executive Compensation Policies and Practices</u>	42
<u>Summary Compensation Table for Fiscal 2014</u>	44
<u>Grants of Plan-Based Awards in Fiscal 2014</u>	45
<u>Employment Agreements</u>	46
<u>Outstanding Equity Awards at Fiscal 2014 Year-End</u>	48
<u>Option Exercises and Stock Vested in Fiscal 2014</u>	51
<u>Pension Benefits</u>	51
<u>Nonqualified Deferred Compensation for Fiscal 2014</u>	51
<u>Potential Payments Upon Termination or Change-In-Control</u>	53
<u>Securities Authorized for Issuance Under Equity Compensation Plans</u>	56
<b><u>Proposal 2. Advisory Vote to Approve Executive Compensation</u></b>	57
<b><u>Proposal 3. Re-Approval of the Material Terms for Payment of Performance-Based Incentive Compensation for Purposes of Complying With Section 162(m) of the Internal Revenue Code of 1986</u></b>	58
<u>Background</u>	58

<u>Determination of Awards</u>	59
<u>Payment of Incentive Awards</u>	60
<u>Eligible Employees</u>	60
<u>Maximum Award</u>	60
<u>New Plan Benefits</u>	60
<u>Board Recommendation</u>	61
<b><u>Proposal 4, Ratification of the Selection of Independent Registered Public Accounting Firm</u></b>	61
<u>Selection of Independent Registered Public Accounting Firm</u>	61
<u>Fees Billed to Vail Resorts by PricewaterhouseCoopers LLP during Fiscal 2014 and Fiscal 2013</u>	61
<b><u>The Annual Meeting and Voting Questions and Answers</u></b>	62
<b><u>Stockholder Proposals for 2015 Annual Meeting</u></b>	66
<b><u>Householding of Proxy Materials</u></b>	67
<b><u>Other Matters</u></b>	67

Table of Contents

## PROXY SUMMARY

*This summary contains highlights about our Company and the 2014 Annual Meeting of Stockholders. This summary does not contain all of the information that you should consider in advance of the annual meeting, and we encourage you to read the entire proxy statement and our 2014 Annual Report on Form 10-K carefully before voting. Page references ("XX") are provided to help you find further information in this proxy statement. For information concerning the annual meeting and voting on the proposals discussed in more detail in this proxy statement, please see "The Annual Meeting and Voting Questions and Answers" beginning on page 62.*

### Corporate Governance Highlights (page 16)

We believe good governance is integral to achieving long-term shareholder value. We are committed to governance policies and practices that serve the interests of the Company and its stockholders. The Board of Directors monitors developments in governance best practices to assure that it continues to meet its commitment to thoughtful and independent representation of stockholder interests. Highlights of our corporate governance include:

All of our director nominees are independent, except our CEO

All of our Audit, Compensation and Nominating & Governance Committee members are independent

An independent non-executive lead director

Annual election of all directors

Majority voting standard and a director resignation policy in uncontested director elections

Executive sessions of independent directors held at regularly scheduled Board meetings

Meaningful stock ownership guidelines

Excellent track record of attendance of all directors at Board and committee meetings in fiscal 2014

Anti-hedging policy for all directors and executive officers

Table of Contents**Director Nominees (page 7)**

The following table provides summary information about each director nominee. Each director stands for election annually. Detailed information about each director nominee's background, skill set and areas of experience can be found beginning on page 8.

Director Nominee	Director		Independent	Committee Memberships				
	Since	Primary Occupation and Experience		Audit	Comp	N&G	Exec	
Roland A. Hernandez ♦	2002	Founding Principal & CEO Hernandez Media Ventures; former CEO of Telemundo	Yes	F		Chair	X	
Robert A. Katz	1996	Chairman and CEO of Vail Resorts, Inc.	No				X	
Richard D. Kincaid	2006	Founder & President of BeCause Foundation; former CEO of Equity Office Properties	Yes		X	X		
John T. Redmond	2008	Former Managing Director & CEO of Echo Entertainment Group Limited	Yes	F				
Hilary A. Schneider	2010	President of Lifelock, Inc.	Yes		X			
D. Bruce Sewell	2013	SVP, General Counsel & Secretary of Apple Inc.	Yes	Chair				
John F. Sorte	1993	Executive Chairman Morgan Joseph TriArtisan LLC	Yes	X	Chair	X	X	
Peter A. Vaughn	2013	SVP of International Consumer Products and Marketing of American Express Company	Yes		X			
Fiscal 2014 Meetings				6	3	1	1	

Audit    Audit Committee  
 Comp    Compensation Committee  
 N&G    Nominating & Governance Committee

Exec    Executive Committee  
 F    Audit Committee Financial Expert  
 ♦    Lead Independent Director

The Board of Directors held four meetings during fiscal 2014. Each of the directors attended at least 75% of the meetings held by the Board and Board committees on which he or she served during the fiscal year.



Table of Contents

**Executive Compensation Highlights (see page 29)**

Under our executive compensation program, a significant portion (85% and 68%, respectively) of the CEO's and other Named Executive Officers' annual target total direct compensation is variable based upon our operating performance and/or our stock price, as shown below:

For fiscal 2014, our named executive officer executive compensation highlights included:

We generally increased base salaries for our named executive officers by 3% from fiscal 2013 amounts

We generally maintained equity grant values for our named executive officers near fiscal 2013 levels, with a modest 3.5% increase over fiscal 2013 levels; and

Our CEO's target total direct compensation continued to be largely based upon variable or "at risk" elements (85% for fiscal 2014), which further aligns our CEO's compensation interests with the investment interests of our stockholders;

In addition, for fiscal 2014, we engaged in (or refrained from) certain pay practices with respect to our named executive officer compensation program that we believe align with market best practices:

**What We Do:**

- þ Annual Advisory Vote to Approve Executive Compensation
- þ Independent Compensation Committee
- þ Significant Portion of Executive Compensation Tied to Performance
- þ Significant Portion of Executive Compensation Delivered in the Form of Long-Term Equity-Based Incentives
- þ Market Alignment of Compensation But With Greater Emphasis on At-Risk Compensation
- þ Independent Compensation Consultant
- þ Clawback Policy
- þ Stock Ownership Guidelines
- þ Use of Tally Sheets

þ Annual Risk Assessment

Table of Contents

**What We Don't Do:**

- ý No Excessive Perquisites
- ý No Tax Gross-Ups on Perquisites
- ý No Excise Tax Gross-Ups
- ý No Golden Parachute Tax Gross-Ups
- ý No Automatic Salary Increases or Guaranteed Bonuses
- ý No "Single Trigger" Automatic Payments or Benefits Upon a Change in Control
- ý No Hedging
- ý No Equity Repricing
- ý No Pension Plans or SERPs

**VOTING MATTERS AND BOARD RECOMMENDATION**

The following table summarizes the proposals to be considered at the annual meeting and the Board's voting recommendation with respect to each proposal.

<b>Management Proposals</b>	<b>Board Vote Recommendation</b>	<b>Page Reference</b>
Election of eight Directors, each for a one-year term expiring in 2015	FOR EACH NOMINEE	6
Advisory vote to approve executive compensation	FOR	57
Re-approval of the material terms for payment of performance-based incentive compensation for purposes of complying with Section 162(m) of the Internal Revenue Code of 1986	FOR	58
Ratification of PricewaterhouseCoopers LLP as independent auditor for fiscal 2015	FOR	61

**Election of Directors (Proposal No. 1)**

We are asking stockholders to elect each of our nominees for the Board of Directors. Our nominees include: Roland A. Hernandez, Robert A. Katz, Richard D. Kincaid, John T. Redmond, Hilary A. Schneider, D. Bruce Sewell, John F. Sorte and Peter A. Vaughn. If elected, each director nominee will serve as a director for a one-year term that expires in 2015.

**Advisory Vote to Approve Executive Compensation (Proposal No. 2)**

We are asking stockholders to cast an advisory, non-binding vote to approve compensation awarded to our named executive officers. The primary objective of our executive compensation program is to emphasize pay-for-performance by incentivizing our executive officers and senior management to drive superior results and generate stockholder value. Additional information regarding our executive compensation may be found elsewhere in this proxy statement.



Table of Contents

**Re-approval of the Material Terms for Payment of Performance-Based Incentive Compensation for Purposes of Complying with Section 162(m) of the Internal Revenue Code of 1986 (Proposal No. 3)**

We are asking stockholders to re-approve the material terms for payment of performance-based incentive compensation under the Company's incentive compensation plans. We are not amending or altering any of the Company's incentive compensation plans.

**Ratification of PricewaterhouseCoopers LLP as Independent Auditor (Proposal No. 4)**

We are asking stockholders to ratify the appointment of PricewaterhouseCoopers LLP as independent auditor for fiscal 2015. The Audit Committee has selected, and the Board of Directors has ratified the selection of, PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for fiscal 2015. Set forth below is information about its fees in fiscal 2014 and fiscal 2013.

Type of fees	2014	2013
Audit fees	\$ 1,831,788	\$ 1,900,020
Audit-related fees		
Tax fees		
Other fees	3,704	3,704
<b>Total</b>	<b>\$ 1,835,492</b>	<b>\$ 1,903,724</b>

**MEETING INFORMATION**

*Date and time:* December 5, 2014, 9:00 a.m. Mountain Standard Time

*Place:* Vail Resorts, Inc. corporate headquarters  
390 Interlocken Crescent  
Broomfield, Colorado 80021

*Record date:* October 14, 2014

*Voting:* Stockholders at the close of business on the record date may vote at the Annual Meeting of Stockholders. Each share is entitled to one vote on each matter to be voted upon.

Table of Contents

**390 Interlocken Crescent  
Broomfield, Colorado 80021**

**PROXY STATEMENT FOR THE 2014  
ANNUAL MEETING OF STOCKHOLDERS**

We are providing these proxy materials in connection with the solicitation of proxies by the Board of Directors (the "*Board*") of Vail Resorts, Inc. (the "*Company*") to be voted at our annual meeting, which will take place on Friday, December 5, 2014 at 9:00 a.m., Mountain Standard Time, at Vail Resorts, Inc.'s corporate headquarters, 390 Interlocken Crescent, Broomfield, Colorado 80021, and at any adjournment or postponement thereof. As a stockholder, you are invited to attend the annual meeting and are requested to vote on the items of business described in this proxy statement.

In accordance with the rules and regulations of the SEC, instead of mailing a printed copy of our proxy materials to each stockholder of record or beneficial owner, we are furnishing proxy materials, which include our proxy statement and annual report, to our stockholders over the Internet. Because you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials, unless you have previously made a permanent election to receive these materials in hard copy or unless you request a printed copy as described below. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice of Internet Availability of Proxy Materials also instructs you as to how you may submit your proxy. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials.

It is anticipated that the Notice of Internet Availability of Proxy Materials will be mailed, and this proxy statement will be made available, to stockholders on or about October 23, 2014.

**PROPOSAL 1. ELECTION OF DIRECTORS**

At the annual meeting, eight directors will be nominated for election to the Board to serve for the next year and until their respective successors are elected and qualified. The nominees are Messrs. Hernandez, Katz, Kincaid, Redmond, Sewell, Sorte and Vaughn and Ms. Schneider. Each of the nominees is currently a director of the Company and all nominees were previously elected by the stockholders.

The persons named as proxies in the accompanying proxy, who have been designated by the Board, intend to vote, unless otherwise instructed in such proxy, "FOR" the election of Messrs. Hernandez, Katz, Kincaid, Redmond, Sewell, Sorte and Vaughn and Ms. Schneider as directors. If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee, if any, proposed by the Board. Each person nominated for election has agreed to

Table of Contents

serve if elected. Our Board has no reason to believe that any nominee will be unable to serve. The proxies solicited by this proxy statement may not be voted for more than eight nominees.

**INFORMATION WITH RESPECT TO NOMINEES**

The Nominating & Governance Committee monitors the mix of skills, knowledge, perspective, leadership, age, experience and diversity among directors in order to assure that the Board has the ability to perform its oversight function effectively. The Nominating & Governance Committee has determined that the Board will be comprised of individuals who meet the highest possible personal and professional standards. Our director nominees should have broad experience in management, policymaking and/or finance, relevant industry knowledge, business creativity and vision. They should also be committed to enhancing stockholder value and should be able to dedicate sufficient time to effectively carry out their duties.

The Nominating & Governance Committee considers many factors when determining the eligibility of candidates for nomination as director. The Nominating & Governance Committee does not have a formal diversity policy; however, in connection with the annual nomination process, the Nominating & Governance Committee considers the diversity of candidates to ensure that the Board is comprised of individuals with a broad range of experiences and backgrounds who can contribute to the Board's overall effectiveness in carrying out its responsibilities. The Nominating & Governance Committee assesses the effectiveness of its efforts at achieving a diverse Board when it annually evaluates the Board's composition.

The Nominating & Governance Committee considers the following specific characteristics in making its nominations for our Board: independence, wisdom, integrity, understanding and general acceptance of the Company's corporate philosophy, business or professional knowledge and experience that can bear on the Company's and the Board's challenges and deliberations, proven record of accomplishment with excellent organizations, inquiring mind, willingness to speak one's mind, ability to challenge and stimulate management, future orientation, willingness to commit time and energy, diversity, and international/global experience.

The following sets forth the name and age of each nominee, identifies whether the nominee is currently a member of the Board, lists all other positions and offices, if any, now held by him or her with the Company, and specifies his or her principal occupation during at least the last five years.

Name	Age	Position
Roland A. Hernandez	57	Director
Robert A. Katz	47	Chairman and Chief Executive Officer
Richard D. Kincaid	52	Director
John T. Redmond	56	Director
Hilary A. Schneider	53	Director
D. Bruce Sewell	56	Director
John F. Sorte	67	Director
Peter A. Vaughn	50	Director

Table of Contents

**Director Nominee**

**Business Experience, Other Directorships and Qualifications**

**ROLAND A. HERNANDEZ**

Age 57

Founding Principal & CEO  
Hernandez Media Ventures

Director Since  
December 2002

Lead Director Since  
March 2009

**Independent**

*Committees:*  
Audit, Nominating & Governance Chair,  
Executive

*Current Public Directorships:*  
MGM Resorts International,  
Belmond Ltd. (formerly known as  
Orient Express Hotels Ltd.) and  
U.S. Bancorp

**ROBERT A. KATZ**

Age 47

Chairman of the Board & CEO  
Vail Resorts, Inc.

Director Since  
June 1996

Chairman of the Board Since  
March 2009

*Committees:*  
Executive

Mr. Hernandez is the founding principal and Chief Executive Officer of Hernandez Media Ventures, a privately held company engaged in the acquisition and management of media assets. He has served in this capacity since 2001. Mr. Hernandez served as Chairman of Telemundo Group, Inc., a Spanish-language television and entertainment company, from 1998 to 2000, and as President and Chief Executive Officer from 1995 to 2000. From 1986 to 1994, Mr. Hernandez was President of the corporate general partner of Interspan Communications. Mr. Hernandez previously served on the board of directors of The Ryland Group, Inc., Sony Corporation and Wal-Mart Stores, Inc. He also serves on the advisory board of Harvard Law School and the President's Council on International Activities at Yale University.

*Skills and Qualifications:*

**Leadership** and **Finance** experience current CEO of privately-held media asset company (Hernandez Media Ventures); former CEO and Chairman of multinational television and entertainment company (Telemundo); director of large commercial bank (U.S. Bancorp); advisory board of leading law school (Harvard)

**Industry** and **International** experience Chairman of luxury hotel company and sophisticated adventure travel operator (Belmond); director of global hospitality company (MGM); former CEO and Chairman of multinational television and entertainment company (Telemundo)

Mr. Katz served as Lead Director from June 2003 until his appointment as Chief Executive Officer of the Company in February 2006. Prior to becoming the Chief Executive Officer, Mr. Katz was associated with Apollo Management L.P., a private equity investment firm, since its founding in 1990. Mr. Katz serves on the board of directors of the Vail Valley Foundation and has previously served on numerous private, public and non-profit boards.

*Skills and Qualifications:*

**Leadership, Industry** and **Marketing** experience professional association with Vail Resorts began in 1992 and has been involved with all major strategic decisions for over two decades; CEO since 2006 with unique insight and information regarding the Company's strategy, operations and business and experience with global branding, development and strategy, as well a unique historical perspective into the operations and vision for the Company (Vail Resorts)

**Finance** experience current CEO of large public company (Vail Resorts); former senior partner at large private equity investment firm (Apollo)





Table of Contents

**Director Nominee**

**Business Experience, Other Directorships and Qualifications**

**RICHARD D. KINCAID**

Age 52

Founder & President  
BeCause Foundation

Director Since  
June 2006

**Independent**

*Committees:*  
Compensation, Nominating &  
Governance

*Current Public Directorships:*  
Rayonier Inc., Strategic Hotels and  
Resorts, Inc. and Dividend Capital  
Diversified Property Fund, Inc.

Mr. Kincaid is the Founder and President of the BeCause Foundation, a nonprofit corporation that heightens awareness of complex social problems and promotes change through the power of film. Until March 2007, Mr. Kincaid was the President, Chief Executive Officer and a trustee of Equity Office Properties Trust, an owner and manager of office buildings and, at the time, the largest U.S. real estate investment trust. He was named President of Equity Office Properties in November 2002 and Chief Executive Officer in April 2003. Mr. Kincaid joined Equity Office Properties as a Senior Vice President in 1996, was named Chief Financial Officer in 1997 and Executive Vice President and Chief Operating Officer in 2001. He previously served as Senior Vice President and Chief Financial Officer of Equity Office Holdings, L.L.C., a predecessor of Equity Office Properties, and was Senior Vice President of Equity Group Investments, Inc., a private investment company. Mr. Kincaid serves on the board of directors of several private companies and non-profit organizations, including Green Planet Bottling, Inc., Life for the World, InnFlux Inc., Sage Vertical Garden Systems, LLC and Staff CV.

*Skills and Qualifications:*

**Leadership and Finance** experience former CEO of large public real estate investment trust (Equity Office); leadership positions at predecessor entities to Equity Office; director of global land resources company (Rayonier)

**Industry and International** experience director of global land resources company (Rayonier); director of real estate investment trust that owns and manages high-end hotels and resorts in the United States and Europe (Strategic Hotels)

Table of Contents

**Director Nominee**

**Business Experience, Other Directorships and Qualifications**

**JOHN T. REDMOND**

Age 56

Former Managing Director & CEO  
Echo Entertainment Group Limited

Director Since  
March 2008

**Independent**

*Committees:*  
Audit

*Current Public Directorships:*  
Allegiant Travel Company

Mr. Redmond was the Managing Director and Chief Executive Officer of Echo Entertainment Group Limited, a leading Australian entertainment and gaming company, from January 2013 to April 2014, and previously served as a non-executive director from March 2012 to January 2013. Mr. Redmond was President and Chief Executive Officer of MGM Grand Resorts, LLC, a collection of resort-casino, residential living and retail developments, and a director of its parent company, MGM Resorts International, from March 2001 to August 2007. He served as Co-Chief Executive Officer and a director of MGM Grand, Inc. from December 1999 to March 2001. Mr. Redmond was President and Chief Operating Officer of Primm Valley Resorts from March 1999 to December 1999 and Senior Vice President of MGM Grand Development, Inc. from August 1996 to February 1999. Prior to 1996, Mr. Redmond was Senior Vice President and Chief Financial Officer of Caesars Palace and Sheraton Desert Inn, having served in various other senior operational and development positions with Caesars World, Inc. Mr. Redmond previously served on the board of directors of Tropicana Las Vegas Hotel and Casino, Inc.

*Skills and Qualifications:*

**Leadership** and **Finance** experience former CEO of large public entertainment and gaming company (Echo); former senior officer and director of large public entertainment and gaming company (MGM); director of low-cost, high-efficiency, all-jet passenger airline (Allegiant)

**Industry** and **International** experience former CEO of large public entertainment and gaming company (Echo); former senior officer and director of large public entertainment and gaming company (MGM)

Table of Contents

**Director Nominee**

**Business Experience, Other Directorships and Qualifications**

**HILARY A. SCHNEIDER**

Age 53

President  
Lifelock, Inc.

Director Since  
March 2010

**Independent**

*Committees:*  
Compensation

Ms. Schneider is the President of Lifelock, Inc., a leading provider of identity theft protection, identity risk assessment and fraud protection services, a position she has held since September 2012. From March 2010 to November 2010, Ms. Schneider served as Executive Vice President at Yahoo! Americas. She joined Yahoo! in September 2006 when she led the company's U.S. region, Global Partner Solutions and Local Markets and Commerce divisions. Prior to joining Yahoo!, Ms. Schneider held senior leadership roles at Knight Ridder, Inc., from April 2002 to January 2005, including Chief Executive Officer of Knight Ridder Digital before moving to co-manage the company's overall newspaper and online business. From 2000 to 2002, Ms. Schneider served as President and Chief Executive Officer of Red Herring Communications. She also held numerous roles at Times Mirror from 1990 through 2000, including President and Chief Executive Officer of Times Mirror Interactive and General Manager of the Baltimore Sun. Ms. Schneider serves as a senior advisor for TPG Capital. She also serves on the board of directors of several private companies and non-profit organizations, including RentPath, Inc. and Water.org.

*Skills and Qualifications:*

**Leadership** experience president of large public identity and fraud protection company (Lifelock); leadership positions at large public global technology company (Yahoo!)

**Industry and Marketing** experience president of large public identity and fraud protection company (Lifelock); leadership positions at large public global technology company (Yahoo!); senior advisor to large private equity investment firm (TPG)

Table of Contents

**Director Nominee**

**Business Experience, Other Directorships and Qualifications**

**D. BRUCE SEWELL**

Age 56

Senior Vice President, General Counsel & Secretary  
Apple Inc.

Director Since  
January 2013

**Independent**

*Committees:*  
Audit Chair

Mr. Sewell is Senior Vice President, General Counsel and Secretary of Apple Inc., overseeing all legal matters for Apple, including corporate governance, intellectual property, litigation and securities compliance, as well as government affairs. He joined Apple in September 2009. Prior to joining Apple, Mr. Sewell served as Senior Vice President, General Counsel of Intel Corporation from 2005 to 2009. He also served as Intel's Vice President, General Counsel from 2004 to 2005 and Vice President of Legal and Government Affairs, Deputy General Counsel from 2001 to 2004. Prior to joining Intel in 1995 as a senior attorney, Mr. Sewell was a partner in the law firm of Brown and Bain PC.

*Skills and Qualifications:*

**Leadership** and **Finance** experience general counsel of a large international public company (Apple); leadership positions at international manufacturer of microprocessors and chipsets (Intel)

**Technology** and **International** experience general counsel of international public mobile communication, personal computer, software and media devices company (Apple); leadership positions at international manufacturer of microprocessors and chipsets (Intel)

**JOHN F. SORTE**

Age 67

Executive Chairman  
Morgan Joseph TriArtisan LLC

Director Since  
January 1993

**Independent**

*Committees:*  
Audit, Compensation Chair,  
Nominating & Governance,  
Executive

Mr. Sorte is Executive Chairman of Morgan Joseph TriArtisan LLC, an investment and merchant bank engaged in providing financial advice, capital raising and private equity investing. Mr. Sorte is also a director of Morgan Joseph TriArtisan Group Inc., the parent company of Morgan Joseph TriArtisan LLC. Prior to co-founding Morgan Joseph in 2001, he was President of New Street Advisors L.P. He previously held various positions at Drexel Burnham Lambert, including Head of the Energy Group, Co-head of Investment Banking and Chief Executive Officer and member of the board of directors. Mr. Sorte started his career as an investment banker at Shearson Hammill. Mr. Sorte also serves on the board of directors of Shorts International Ltd. and previously served on the board of directors of Autotote Corp. and Westpoint Stevens Inc., as well as several private companies and non-profit organizations.

*Skills and Qualifications:*

**Leadership** and **Finance** experience executive chairman of investment and merchant bank (Morgan Joseph); former president of private equity firm (New Street); prior leadership positions at global investment bank (Drexel)

**International** experience executive chairman of investment and merchant bank with international operations (Morgan Joseph); prior leadership positions at global investment bank (Drexel)



Table of Contents

**Director Nominee**

**Business Experience, Other Directorships and Qualifications**

**PETER A. VAUGHN**

Age 50

Senior Vice President of  
International Consumer Products  
and Marketing  
American Express Company

Director Since  
June 2013

**Independent**

*Committees:*  
Compensation

Mr. Vaughn is Senior Vice President of International Consumer Products and Marketing of American Express Company, providing strategic marketing leadership for the company's consumer card-issuing businesses in over 160 countries worldwide, with a focus on product line strategy, benefit sourcing and management, product innovation, brand management, communications and advertising. Previously, he held several senior marketing roles within American Express, including serving as Chief Marketing Officer of Global Network Services from 2011 to 2013, Senior Vice President of Global Brand Management from 2005 to 2011, Vice President of Marketing for the Travelers Cheque and Prepaid Services Group from 2002 to 2004, Vice President and General Manager of Lending for the Small Business Division in 2001 and Vice President of Acquisition and Advertising for Small Business Services from 1999 to 2001. From 1994 to 1999, he held several positions overseas in the Consumer Services Group of American Express, including Vice President of International Product Development, European Head of Revolving Credit and Lending and Senior Director of European Product Development. Mr. Vaughn joined American Express in 1992, acting as Director of Marketing for the Consumer Financial Services Group.

*Skills and Qualifications:*

**Leadership and International** experience senior global marketing positions and senior business leader in multiple business lines at a global, public financial services company (American Express)

**Marketing and Finance** experience senior global marketing positions and senior business leader in multiple business lines with operational marketing and profit/loss responsibility at a global, public financial services company (American Express)

**THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE  
NOMINEES NAMED ABOVE.**

Table of Contents**MANAGEMENT**

The Company's executive officers, as well as additional information with respect to such persons, are set forth in the table below:

Name	Age	Position
Robert A. Katz	47	Chairman and Chief Executive Officer
Blaise T. Carrig	63	President Mountain Division
Michael Z. Barkin	36	Executive Vice President and Chief Financial Officer
Kirsten A. Lynch	46	Executive Vice President and Chief Marketing Officer
Randall E. Mehrberg	58	Executive Vice President, General Counsel and Secretary

For biographical information about Mr. Katz, see "Director Nominees" above.

*Blaise T. Carrig* has served as President Mountain Division since June 2012. Mr. Carrig previously served as Co-President of the Company from June 2011 to June 2012, as Co-President Mountain Division from April 2010 to June 2011, as Executive Vice President Mountain Division and Chief Operating Officer of Heavenly Mountain Resort from January 2008 to April 2010 and as Senior Vice President and Chief Operating Officer of Heavenly Mountain Resort from September 2002 to January 2008. From 1997 to 2002, Mr. Carrig was the President and Managing Director for The Canyons in Park City, Utah. Prior to 1997, he served as the Managing Director of Sugarbush Resort in Warren, Vermont, where he had been since 1976 in a variety of positions from Ski Patrol to President. Mr. Carrig has been active in the ski industry, having served on the board of directors of the Vermont Ski Area Association, Ski Utah and the California Ski Industry Association. He currently serves on the Executive Board of the National Ski Areas Association, as well as the board of directors of the National Forest Foundation.

*Michael Z. Barkin* has served as Executive Vice President and Chief Financial Officer since April 2013. Mr. Barkin previously served as Vice President of Strategy and Development since July 2012. Prior to joining the Company, he was a principal at KRG Capital Partners, a private equity investment firm, where he was a member of the investment team since 2006. At KRG, Mr. Barkin was responsible for managing new acquisitions and had portfolio company oversight across multiple sectors. Prior to KRG, he worked at Bain Capital Partners and Bain & Company, a private equity investment firm. Mr. Barkin serves on the Board of Trustees of STRIVE Preparatory Charter School.

*Kirsten A. Lynch* has served as Executive Vice President and Chief Marketing Officer since July 2011. Prior to joining the Company, Ms. Lynch was with PepsiCo, Inc., where she was Chief Marketing Officer of the Quaker Foods and Snacks Division from 2009 to 2011, leading the brand marketing, consumer insights and shopper marketing organization. From 2007 to 2009, she was Vice President of Marketing for Kraft Foods Group, Inc.'s Cheese and Dairy Business Unit. Ms. Lynch had worked for Kraft Foods since 1996, holding various marketing positions for the company's product divisions, including Senior Marketing Director of Kraft Mac & Cheese and Family Dinners, and Senior Brand Manager and Brand Manager for product lines such as salad dressings, barbecue, DiGiorno Pasta & Sauce and Miracle Whip. Ms. Lynch started her career with Ford Motor Company in marketing and sales.

*Randall E. Mehrberg* has served as Executive Vice President and General Counsel since December 2013. Prior to joining the Company, Mr. Mehrberg was with Public Service Enterprise Group Incorporated (PSEG) where he was the Executive Vice President of Strategy and Development and President of PSEG Energy Holdings, which developed renewable energy solutions. Mr. Mehrberg joined PSEG in 2008. Prior to PSEG, he served from 2000 to 2008 in various capacities at Exelon Corporation, including General Counsel, Chief Legal Officer and Chief Administrative Officer. Prior to joining Exelon, he was a Partner at Jenner & Block LLP, where he practiced from 1980 to 1993 and again from 1997 to 2000. From 1993 to 1997, Mr. Mehrberg served as Lakefront Director and General Counsel for the City of Chicago's Park District. He currently serves on the board of directors of several non-profit organizations including the University of Pennsylvania Medical School, the University of Michigan Law School, Millennium Park and the Lincoln Park Zoo.



Table of Contents

## SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

Set forth in the following table is the beneficial ownership of common stock at the close of business on September 30, 2014 for all directors, nominees, the named executive officers listed in the Summary Compensation Table, and, as a group, such persons and all other executive officers as of such date.

Name of Beneficial Owner	Common Stock Beneficially Owned	
	Shares	Percent of Class <sup>(1)</sup>
Roland A. Hernandez	18,324	*
Richard D. Kincaid	28,343 <sup>(2)</sup>	*
John T. Redmond	18,723 <sup>(3)</sup>	*
Hilary A. Schneider	12,078	*
D. Bruce Sewell	3,907	*
John F. Sorte	59,540	*
Peter A. Vaughn	3,238	*
Robert A. Katz	1,160,745 <sup>(4)</sup>	3.1%
Michael Z. Barkin	5,743 <sup>(5)</sup>	*
Blaise T. Carrig	75,414 <sup>(6)</sup>	*
Kirsten A. Lynch	18,533 <sup>(7)</sup>	*
Randall E. Mehrberg		*
Directors, nominees and executive officers as a group (12 persons)	1,404,588 <sup>(8)</sup>	3.8%

\*

Less than 1.0%.

(1)

Applicable percentages are based on 36,268,208 shares outstanding on September 30, 2014, adjusted as required by rules promulgated by the SEC. Unless indicated by footnote, the address for each listed director and executive officer is c/o Vail Resorts, Inc., 390 Interlocken Crescent, Broomfield, Colorado 80021. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as indicated by footnote, the person named in the table has sole voting and investment power with respect to all shares of common stock beneficially owned by them.

The number of shares of common stock outstanding used in calculating the percentage for each listed person includes the restricted share units, or RSUs, and common stock underlying share appreciation rights, or SARs, and stock options held by that person that are currently exercisable or are exercisable within 60 days of September 30, 2014, but excludes RSUs and our common stock underlying SARs or stock options held by any other person.

(2)

Includes 240 shares of common stock underlying 296 SARs (assuming a fair market value of \$86.76, the closing price of our common stock on September 30, 2014).

(3)

Includes 240 shares of common stock underlying 296 SARs (assuming a fair market value of \$86.76, the closing price of our common stock on September 30, 2014).

(4)

Includes 1,000,365 shares of common stock underlying 1,712,550 SARs (assuming a fair market value of \$86.76, the closing price of our common stock on September 30, 2014).

(5)

Includes 3,726 shares of common stock underlying 12,168 SARs (assuming a fair market value of \$86.76, the closing price of our common stock on September 30, 2014).

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- (6) Includes 5,000 shares of common stock underlying 5,000 stock options and 50,750 shares of common stock underlying 100,076 SARs (assuming a fair market value of \$86.76, the closing price of our common stock on September 30, 2014).
- (7) Includes 16,018 shares of common stock underlying 35,636 SARs (assuming a fair market value of \$86.76, the closing price of our common stock on September 30, 2014).
- (8) Includes 5,000 shares of common stock underlying 5,000 stock options and 1,071,339 shares of common stock underlying 1,861,022 SARs (assuming a fair market value of \$86.76, the closing price of our common stock on September 30, 2014).

Table of Contents**INFORMATION AS TO CERTAIN STOCKHOLDERS**

Set forth below is certain information with respect to the only persons known to the Company to be the beneficial owners of more than five percent of the Company's voting securities at the close of business on September 30, 2014.

Name of Beneficial Owner	Common Stock	
	Beneficially Owned	
	Shares	Percent of Class <sup>(1)</sup>
Ronald Baron/Baron Capital Group, Inc.	5,375,886 <sup>(2)</sup>	14.8%
T. Rowe Price Associates, Inc.	3,163,860 <sup>(3)</sup>	8.7%
Southeastern Asset Management, Inc.	2,556,858 <sup>(4)</sup>	7.0%
The Vanguard Group, Inc.	2,113,401 <sup>(5)</sup>	5.8%
Columbia Wanger Asset Management, LLC	2,004,500 <sup>(6)</sup>	5.5%

- (1) Applicable percentages are based on 36,268,208 shares outstanding on September 30, 2014.
- (2) As reported by Baron Capital Group, Inc. ("BCG"), BAMCO, Inc. ("BAMCO"), Baron Capital Management, Inc. ("BCM"), Baron Growth Fund ("BGF") and Ronald Baron on a joint Schedule 13G/A filed with the SEC on February 14, 2014. BAMCO and BCM are subsidiaries of BCG. BGF is an advisory client of BAMCO. Ronald Baron owns a controlling interest in BCG. The address for the holders is 767 Fifth Avenue, 49th Floor, New York, NY 10153.
- (3) As reported by T. Rowe Price Associates, Inc. and T. Rowe Price New Horizons Fund, Inc. on a joint Schedule 13G/A filed with the SEC on February 11, 2014. T. Rowe Price Associates, Inc. disclaims beneficial ownership of these shares. The address for the holders is 100 E. Pratt Street, Baltimore, MD 21202.
- (4) As reported by Southeastern Asset Management, Inc., Lingle Partners Small-Cap Fund and O. Mason Hawkins on a joint Schedule 13G/A filed with the SEC on February 10, 2014. The address for the holders is 6410 Poplar Ave., Suite 900, Memphis, TN 38119.
- (5) As reported by The Vanguard Group on a Schedule 13G/A filed with the SEC on February 12, 2014. The address for the holder is 100 Vanguard Blvd., Malvern, PA 19355.
- (6) As reported by Columbia Wanger Asset Management, LLC on a Schedule 13G/A filed with the SEC on February 6, 2014. As the investment advisor of various unregistered and registered investment companies and managed accounts, the holder may be deemed to beneficially own the shares, however, the holder expressly disclaims beneficial ownership. The address for the holder is 227 West Monroe Street, Suite 3000, Chicago, IL 60606.

**CORPORATE GOVERNANCE****CORPORATE GOVERNANCE GUIDELINES**

The Company's Board acts as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the Company's stockholders. The Board selects, advises and oversees our management, who are responsible for the day-to-day operations and administration of the Company. The Board has adopted Corporate Governance Guidelines which, along with the charters of each of the committees of the Board and the Company's Code of Ethics and Business Conduct, which we refer to as the Code of Ethics, provide the framework for the governance of the Company. A complete copy of the Company's Corporate Governance Guidelines, the charters of the Board committees and the Code of Ethics for directors, officers and employees may be found in the "Investor Relations" section of the Company's website under "Corporate Governance" at [www.vailresorts.com](http://www.vailresorts.com). Copies of these materials are



Table of Contents

also available in print, without charge upon written request to: Secretary, Vail Resorts, Inc., 390 Interlocken Crescent, Broomfield, Colorado 80021.

**BOARD LEADERSHIP AND LEAD INDEPENDENT DIRECTOR**

Currently, the positions of Chairman of the Board and Chief Executive Officer of the Company are held by the same person, Mr. Katz. When the Chairman of the Board is a non-independent director, the independent directors elect an independent director to serve in a lead capacity. Mr. Katz serves as Chairman of the Board and Mr. Hernandez serves as our Lead Independent Director, or Lead Director. The Board has adopted a Charter of the Lead Independent Director, which is attached as Appendix A to the Corporate Governance Guidelines, which are available in the "Investor Relations" section of the Company's website under "Corporate Governance" at [www.vailresorts.com](http://www.vailresorts.com). The Lead Director coordinates the activities of the other non-management directors and performs such other duties and responsibilities as the Board may determine. The specific duties of the Lead Director include:

presiding over meetings of the Board at which the Chairman is not present, including executive sessions of independent directors;

having the authority to call meetings of the independent directors;

serving as the presiding director for purposes of all rights and duties assigned to the presiding director under the Company's Bylaws, including the right to call special meetings of the Board;

serving as principal liaison on Board-wide issues between the independent directors and the Chairman;

reviewing information sent to the Board and communicating with management if there needs to be additional materials or analyses provided to directors;

approving meeting agendas and meeting schedules for the Board, to assure that there is sufficient time for discussion of all agenda items;

serving as the point of contact for communications from stockholders or other interested parties directed to the Lead Director or the non-management directors or Board as a group;

ensuring that he is available for consultation and direct communication, if requested by major stockholders; and

serving on the Executive Committee of the Board.

The Board believes that a single leader serving as Chairman and Chief Executive Officer, together with an experienced and engaged Lead Director, is the most appropriate leadership structure for the Board at this time. The Board believes that this approach is best because the Chief Executive Officer is the individual with primary responsibility for implementing the Company's strategy as approved by the Board and directing the work of other executive officers. This structure results in a single leader being directly accountable to the Board and, through the Board, to stockholders, and enables the Chief Executive Officer to act as the key link between the Board and other members of management.

**MEETINGS OF THE BOARD**

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The Board held a total of four meetings during fiscal 2014. Each director attended at least 75% of the aggregate of all meetings of the Board and the standing committees of the Board on which he or she served. In accordance with our Corporate Governance Guidelines, directors are invited and encouraged to attend our annual meeting of stockholders. All of our then serving directors attended our 2013 annual meeting of stockholders.

Table of Contents

**EXECUTIVE SESSIONS**

The non-management directors' practice is to meet in executive session following the conclusion of each regularly scheduled quarterly Board meeting to discuss such matters as they deem appropriate and, at least once a year, to review the Compensation Committee's annual review of the Chief Executive Officer. These executive sessions are chaired by the Lead Director. Interested parties, including our stockholders, may communicate with the Lead Director and the non-management directors by following the procedures under the heading "Communications with the Board" below.

**DIRECTOR NOMINATIONS**

The Nominating & Governance Committee considers and recommends candidates for election to the Board. The Nominating & Governance Committee also considers candidates for election to the Board, if any, that are submitted by stockholders. Each member of the Nominating & Governance Committee participates in the review and discussion of director candidates. In addition, members of the Board who are not on the Nominating & Governance Committee may meet with and evaluate the suitability of candidates. In making its selections of candidates to recommend for election, the Nominating & Governance Committee seeks persons who have achieved prominence in their field and who possess significant experience in areas of importance to the Company. The minimum qualifications that the Nominating & Governance Committee believes must be met for a candidate to be nominated include independence, wisdom, integrity, understanding and general acceptance of the Company's corporate philosophy, business or professional knowledge and experience that can bear on the Company's and the Board's challenges and deliberations, proven record of accomplishment with excellent organizations, inquiring mind, willingness to speak one's mind, ability to challenge and stimulate management, future orientation, willingness to commit time and energy, diversity, and international/global experience.

Stockholders who wish to submit candidates for consideration by the Nominating & Governance Committee for election at an annual or special meeting of stockholders should follow the procedure described in our Bylaws. The Nominating & Governance Committee applies the same standards in considering candidates submitted by stockholders as it does in evaluating candidates submitted by members of the Board. The Nominating & Governance Committee recommended the nominees for election at this year's annual meeting, all of whom are currently serving as directors.

**DETERMINATIONS REGARDING INDEPENDENCE**

Under the Company's Corporate Governance Guidelines, a majority of the Board must be comprised of directors who are independent, as determined based on the independence standards of the NYSE's Listed Company Manual. In accordance with our Corporate Governance Guidelines and the NYSE's listing standards, the Board has adopted categorical standards of director independence to assist it in making determinations of independence of Board members. These categorical standards of director independence are available in the "Investor Relations" section of the Company's website under "Corporate Governance" at [www.vailresorts.com](http://www.vailresorts.com). The Board has affirmatively determined that each of the nominees, other than Mr. Katz, is "independent" under the NYSE's listing standards and the categorical standards of director independence adopted by the Board.

**COMMUNICATIONS WITH THE BOARD**

The Company's Board has adopted a formal process by which interested parties, including our stockholders, may communicate with the Board or the non-management directors. This information is available in the "Investor Relations" section of the Company's website under "Corporate Governance" at [www.vailresorts.com](http://www.vailresorts.com).

Table of Contents

**CODE OF ETHICS AND BUSINESS CONDUCT**

The Company has adopted a Code of Ethics that applies to all directors, officers and employees, including its principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions. See the section entitled "Transactions with Related Persons Related Party Transactions Policy and Procedures" below for additional information about the Code of Ethics. The Code of Ethics is available in the "Investor Relations" section of the Company's website under "Corporate Governance" at [www.vailresorts.com](http://www.vailresorts.com), or in print, without charge, to any stockholder who sends a request to: Secretary, Vail Resorts, Inc., 390 Interlocken Crescent, Broomfield, Colorado 80021. The Company will also post on its website any amendment to the Code of Ethics and any waiver granted to any of its directors or executive officers.

**RISK MANAGEMENT**

The Company's Board believes that oversight of the Company's overall risk management program is the responsibility of the entire Board. We view risk management as an important part of the Company's overall strategic planning process. The Board has delegated the regular oversight of the elements of the risk management program to the Audit Committee and the Board receives updates on individual areas of risk from the Audit Committee. The Board schedules a risk management review agenda item for regular Board meetings on a periodic basis and additionally as needed, during which the Audit Committee reports to and informs the Board of its risk management oversight activities. Senior management reports directly to the Audit Committee at each scheduled Audit Committee meeting and additionally as needed on the status of the Company's day-to-day risk management program. The Audit Committee has established an internal audit function to provide management and the Board with ongoing assessments of the Company's risk management processes and systems of internal control. In addition, as part of its responsibilities, the Audit Committee inquires of management and our independent auditors about the Company's processes for identifying and assessing such risks and exposures and the steps management has taken to minimize such risks and exposures to the Company. The Audit Committee also reviews the Company's guidelines and policies that govern the processes for identifying and assessing significant risks or exposures and for formulating and implementing steps to minimize such risks and exposures to the Company.

**COMPENSATION RISK ASSESSMENT**

The Compensation Committee, with the assistance of our independent compensation consultant, reviewed the material compensation policies and practices for all employees, including executive officers. The Compensation Committee considered whether the compensation program encouraged excessive risk taking by employees at the expense of long-term Company value. Based upon its assessment, the Compensation Committee believes that the Company's compensation program, which includes a mix of annual and long-term incentives, cash and equity awards and retention incentives, does not present risks that are reasonably likely to have a material adverse effect on the Company.

**COMMITTEES OF THE BOARD**

The Board has a standing Audit Committee, Compensation Committee, Executive Committee and Nominating & Governance Committee. The charters for each of these committees, which have been approved by the Board, are available in the "Investor Relations" section of the Company's website under "Corporate Governance" at [www.vailresorts.com](http://www.vailresorts.com), or in print, without charge, to any stockholder who sends a request to: Secretary, Vail Resorts, Inc., 390 Interlocken Crescent, Broomfield, Colorado 80021. Below is a description of each committee of the Board. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities.



Table of Contents

**The Audit Committee**

The Audit Committee is primarily concerned with the effectiveness of the Company's independent registered public accounting firm, accounting policies and practices, financial reporting and internal controls. The Audit Committee acts pursuant to its charter, and is authorized and directed, among other things, to: (1) appoint, retain, compensate, evaluate and terminate, as appropriate, the Company's independent registered public accounting firm; (2) approve all audit engagement fees and terms, as well as all permissible non-audit service engagements with the independent registered public accounting firm; (3) discuss with management and the independent registered public accounting firm and meet to review the Company's annual audited financial statements and quarterly financial statements, including reviewing the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's annual and quarterly reports filed with the SEC; (4) review reports by the independent registered public accounting firm describing its internal quality control procedures and all relationships between the Company, or individuals in financial reporting oversight roles at the Company, and the independent registered public accounting firm; (5) establish procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; (6) monitor the rotation of partners of the independent auditors on the Company's audit engagement team as required by law; (7) review and approve or reject transactions between the Company and any related persons in accordance with the Company's Related Party Transactions Policy; (8) confer with management and the independent auditors regarding the effectiveness of internal controls over financial reporting; (9) oversee management's efforts to monitor compliance with the Company's programs and policies designed to ensure adherence to applicable laws and regulations and the Company's Code of Ethics; (10) annually prepare a report as required by the SEC to be included in the Company's annual proxy statement; and (11) discuss policies with respect to risk assessment and risk management.

The members of the Audit Committee are Mr. Sewell, Chairman, and Messrs. Hernandez, Redmond and Sorte. Mr. Sorte served as Chairman of the Audit Committee from November 29, 2012 to October 1, 2013, when he was succeeded by Mr. Sewell. The Board has determined that Messrs. Hernandez and Redmond are each an "audit committee financial expert" as defined in the SEC's rules and regulations adopted pursuant to the Exchange Act and that all of the members of the Audit Committee are "independent" as defined by the NYSE's listing standards and the rules of the SEC applicable to audit committee members. The Audit Committee held six meetings during fiscal 2014.

**AUDIT COMMITTEE REPORT**

Management is responsible for the Company's accounting practices, internal control over financial reporting, the financial reporting process and preparation of the consolidated financial statements. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board, or the PCAOB. The Audit Committee's responsibility is to monitor and oversee these processes.

In this context, the Audit Committee has met and held discussions with management and the Company's independent registered public accounting firm. Management represented to the Audit Committee that the Company's consolidated financial statements for the fiscal year ended July 31, 2014 were prepared in accordance with generally accepted accounting principles. The Audit Committee reviewed and discussed the consolidated financial statements with management and the Company's independent registered public accounting firm, including a discussion of the quality of the accounting principles, the reasonableness of significant judgments, the clarity of disclosures in the financial statements and management's assessment of the effectiveness of the Company's internal control over financial reporting. The Audit Committee further discussed with the Company's independent registered public

Table of Contents

accounting firm the matters required to be discussed under the rules adopted by the PCAOB, as well as the Company's independent registered public accounting firm's opinion on the effectiveness of the Company's internal control over financial reporting.

The Company's independent registered public accounting firm also provided to the Audit Committee the written disclosures and letter required by applicable requirements of the PCAOB regarding the independent accountants' communications with the audit committee concerning independence, and the Audit Committee discussed with the Company's independent registered public accounting firm, and were satisfied with, that firm's independence from the Company and its management. The Audit Committee has also considered whether the Company's independent registered public accounting firm's provision of non-audit services to the Company is compatible with the auditors' independence.

The Audit Committee discussed with the Company's internal auditor and independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee meets with the Company's independent registered public accounting firm, with and without management present, to discuss the results of their examination, their evaluation of the Company's internal control over financial reporting and the overall quality of the Company's financial reporting. In addition, the Audit Committee meets with the internal auditor, with and without management present, to discuss the results of their examination and evaluation of the Company's internal control over financial reporting. The Audit Committee has also reviewed and discussed Company policies with respect to risk assessment and risk management.

Based upon the Audit Committee's discussion with management and the Company's independent registered public accounting firm referred to above, the Audit Committee recommended to the Board that the Company's audited financial statements as of and for the fiscal year ended July 31, 2014 be included in the Company's Annual Report on Form 10-K for the year ended July 31, 2014 for filing with the SEC.

**Audit Committee**

D. Bruce Sewell, Chairman  
Roland A. Hernandez  
John T. Redmond  
John F. Sorte

**The Compensation Committee**

The Compensation Committee acts pursuant to its charter and is authorized and directed, among other things, to: (1) review and approve corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives (including the Chief Executive Officer's performance in fostering a culture of ethics and integrity), and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the Chief Executive Officer's compensation level based on this evaluation; (2) review the performance of and the individual elements of total compensation for the executive officers of the Company, including any amendments to such executive's employment agreement, any proposed severance arrangements or change in control and similar agreements/provisions, and any amendments, supplements or waivers to the foregoing agreements; (3) oversee the Company's overall compensation structure, policies and programs for executive officers and employees, including assessing the incentives and risks arising from or related to the Company's compensation programs and plans, and assessing whether the incentives and risks are appropriate; (4) review and approve the Company's incentive compensation and equity-based plans and approve changes to such plans, in each case subject, where appropriate, to stockholder or Board approval, and review and approve issuances of equity securities to employees of the Company; (5) review and recommend to the Board annual retainer and meeting fees for non-employee members of the Board and committees of the Board, fix the terms and awards of stock compensation for such members of the Board and determine the terms, if any, upon which such fees may

Table of Contents

be deferred; (6) produce a compensation committee report on executive officer compensation as required by the SEC, after the committee reviews and discusses with management the Company's Compensation Discussion and Analysis, or CD&A, and consider whether to recommend that it be included in the Company's proxy statement or Annual Report on Form 10-K filed with the SEC; and (7) consider and recommend to the Board the frequency of the Company's advisory vote on executive compensation.

The members of the Compensation Committee are Mr. Sorte, Chairman, Messrs. Kincaid and Vaughn and Ms. Schneider. The Board has determined that all members of the Compensation Committee are "independent" as defined by the NYSE's listing standards. In addition, the Compensation Committee consists of "non-employee directors," within the meaning of Rule 16b-3 promulgated under the Exchange Act and "outside directors," within the meaning of regulations promulgated under Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. The Compensation Committee held three meetings during fiscal 2014.

*Compensation Committee Processes and Procedures*

The Compensation Committee meets as often as necessary to carry out its responsibilities. The agenda for each meeting is usually developed by the Chairman of the Compensation Committee, in consultation with the Chief Executive Officer. The Chief Executive Officer does not participate in and is not present during any deliberations or determinations of the Compensation Committee regarding his compensation or individual performance objectives. The charter of the Compensation Committee grants the Compensation Committee sole authority, at the expense of the Company, to retain or to obtain advice from a compensation consultant, legal counsel or other adviser to assist in the execution of the Compensation Committee's responsibilities. The Compensation Committee is directly responsible for the appointment, compensation and oversight of the work of any consultant or adviser retained and has authority to approve the fees and other retention terms. The Compensation Committee expects that it will seek advice from independent compensation consultants as it deems necessary on a periodic basis, but not necessarily annually, in order to determine that the Company's compensation programs remain appropriate and consistent with industry practices. Prior to the retention of any compensation consultant, legal counsel or any other external adviser, the Compensation Committee will assess the independence of such adviser from management, taking into consideration all factors relevant to such adviser's independence, including factors specified in the NYSE listing standards.

During fiscal 2014, the Compensation Committee engaged Hewitt Associates LLC, which we refer to as Hewitt, an AON Hewitt company, which is a wholly-owned subsidiary of AON plc, as its independent compensation consultant for certain executive compensation matters. Hewitt was retained by the Compensation Committee to review the Company's executive compensation programs, including an analysis of both the competitive market and the design of the programs. As part of its reports to the Compensation Committee, Hewitt evaluated our selected peer companies, and provided competitive compensation data and analysis relating to the compensation of our Chief Executive Officer and our other executives and senior officers. Hewitt also assisted the Compensation Committee with the risk assessment of our compensation programs.

In fiscal 2014, Hewitt was paid \$138,129 for these executive compensation consulting services provided to the Compensation Committee. As noted above, Hewitt is an AON Hewitt company, which is a wholly-owned subsidiary of AON plc. AON plc is a multinational, multi-services insurance and consulting firm. During fiscal 2014, AON Hewitt and its affiliates provided general health and benefits consulting, actuarial consulting services and other human resource related services to the Company. The decision to engage AON Hewitt and its affiliates for these additional services was made by management as part of the Company's existing relationship with AON Hewitt concerning these services, and was not approved, or required to be approved, by the Compensation Committee. Fees for the foregoing additional services in fiscal 2014 were \$560,778. The individuals at Hewitt that advise the Compensation Committee on executive compensation matters have no involvement in the other services provided to the Company by AON Hewitt

Table of Contents

and its affiliates, and the individuals at Hewitt advising the Compensation Committee report directly to, and are overseen by, the Compensation Committee. These individuals have no other relationship with the Company or management. The Compensation Committee has evaluated the independence of Hewitt and concluded that the work of AON Hewitt and its affiliates presents no conflict of interest.

Under its charter, the Compensation Committee may form, and delegate authority to, subcommittees, as appropriate, and the Chief Executive Officer has been granted authority to grant certain equity based awards for hiring incentive grants, correction grants or to promoted non-executive employees. The purpose of this delegation of authority is to enhance the flexibility of equity administration within the Company and to facilitate the timely grant of equity awards to new or recently promoted non-executive employees within specified limits approved by the Compensation Committee. The Chief Executive Officer's authority to make new hire incentive grants is limited by the restrictions established by the Compensation Committee.

Historically, the Compensation Committee has made adjustments to annual compensation, determined annual cash and equity awards, and established new performance objectives at one or more meetings held during the first quarter of the fiscal year. However, the Compensation Committee also considers matters related to individual compensation, such as compensation for new executive hires, at various times as needed throughout the year. Generally, the Compensation Committee's process comprises two related elements: the determination of compensation levels and the establishment of performance objectives for the fiscal year. For executives other than the Chief Executive Officer, the Compensation Committee solicits and considers evaluations and recommendations submitted to the committee by the Chief Executive Officer. The Compensation Committee makes all final determinations regarding these awards, and none of our executive officers, including the Chief Executive Officer, are involved in the determination of their own compensation. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the Compensation Committee, which determines any adjustments to his compensation as well as awards to be granted. The non-management directors' practice is to meet in executive session following the Board meeting in September of each year to review and ratify the Compensation Committee's annual review of the Chief Executive Officer. For all executives and directors, as part of its deliberations, the Compensation Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executives in various hypothetical scenarios, executive and director stock ownership information, company stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels, and recommendations of the Compensation Committee's compensation consultant, including analyses of executive and director compensation paid at other companies identified by the consultant.

The specific determinations of the Compensation Committee with respect to executive compensation for fiscal 2014 are described in greater detail in the CD&A section of this proxy statement, as well as the narrative disclosure that accompanies the Summary Compensation Table and related tables in the Executive Compensation section of this proxy statement.

*Compensation Committee Interlocks and Insider Participation*

During fiscal 2014, no Compensation Committee interlocks existed between the Company and any other entity, meaning none of our executive officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more executive officers serving as a member of our Board or Compensation Committee. No member of our Compensation Committee has ever been an executive officer or employee of the Company.

Table of Contents

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based upon this review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated into our Annual Report on Form 10-K for the fiscal year ended July 31, 2014.

**Compensation Committee**

John F. Sorte, Chairman

Richard D. Kincaid

Hilary A. Schneider

Peter A. Vaughn

**The Executive Committee**

The Executive Committee has all powers and rights necessary to exercise the full authority of the Board during the intervals between meetings of the Board in the management of the business and affairs of the Company, subject to certain limitations set forth in the charter of the Executive Committee. The members of the Executive Committee are Messrs. Katz, Hernandez and Sorte. The Executive Committee held numerous discussions and one meeting during fiscal 2014.

**The Nominating & Governance Committee**

The Nominating & Governance Committee acts pursuant to its charter and is authorized and directed to: (1) review the overall composition of the Board; (2) actively seek individuals qualified to become Board members for recommendation to the Board; (3) identify and recommend to the Board director nominees for the next annual meeting of stockholders and members of the Board to serve on the various committees of the Board; (4) oversee the evaluation of the performance of the Board and oversee the annual self-evaluation process of the Board and each committee; (5) review and reassess the adequacy of the Corporate Governance Guidelines of the Company and recommend any proposed changes to the Board for approval; (6) review and present to the Board individual director candidates recommended for the committee's consideration by stockholders and stockholder nominations for director that are made in writing to the Secretary of the Company in compliance with the Company's Bylaws; and (7) review and present to the Board stockholder proposals. The Nominating & Governance Committee also has the authority to retain and terminate any search firm to be used to identify candidates and to approve the search firm's fees and other retention terms.

The members of the Nominating & Governance Committee are Mr. Hernandez, Chairman, and Messrs. Kincaid and Sorte. The Board has determined that all members of the Nominating & Governance Committee are "independent" as defined by the NYSE's listing standards. The Nominating & Governance Committee held one meeting during fiscal 2014.

Table of Contents**DIRECTOR COMPENSATION****DIRECTOR COMPENSATION FOR FISCAL 2014**

The following table provides information concerning the compensation of our non-employee directors in fiscal 2014:

Name <sup>(1)</sup>	Fees Earned or Paid in Cash (\$) <sup>(2)</sup>	Stock Awards (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(4)</sup>	Total (\$)
Roland A. Hernandez <sup>(5)</sup>	144,500	174,975	1,287	320,762
Richard D. Kincaid <sup>(6)</sup>	75,166	174,975		250,141
John T. Redmond <sup>(7)</sup>	74,000	174,975		248,975
Hilary A. Schneider <sup>(8)</sup>	66,583	174,975		241,558
D. Bruce Sewell <sup>(9)</sup>	90,333	265,972		356,305
John F. Sorte <sup>(10)</sup>	125,250	174,975	1,230	301,455
Peter A. Vaughn <sup>(11)</sup>	60,625	220,473		281,098

(1) Robert A. Katz is also a named executive officer and his compensation as Chief Executive Officer is included in the Summary Compensation Table in the "Executive Compensation" section of this proxy statement. Mr. Katz does not receive any additional compensation for his service on the Board.

(2) Consists of non-employee director annual retainers and meeting fees, and, if applicable, lead director fees, committee chair fees, and committee member and meeting fees. Fees paid to each director in fiscal 2014 were as follows:

Name	Committees											Total (\$)
	Board of Directors		Audit		Compensation		Nominating & Governance		Executive			
	Board Service (\$)	Meeting Attendance (\$)	Committee Service (\$)	Meeting Attendance (\$)	Committee Service (\$)	Meeting Attendance (\$)	Committee Service (\$)	Meeting Attendance (\$)	Committee Service (\$)	Meeting Attendance (\$)		
Roland A. Hernandez	72,500	20,000	15,000	12,000			14,167	1,500	8,333	1,000	144,500	
Richard D. Kincaid	35,000	20,000			7,083	4,500	7,083	1,500			75,166	
John T. Redmond	35,000	16,000	15,000	8,000							74,000	
Hilary A. Schneider	35,000	20,000			7,083	4,500					66,583	
D. Bruce Sewell	35,000	20,000	23,333	12,000							90,333	
John F. Sorte	35,000	20,000	16,667	12,000	19,167	4,500	7,083	1,500	8,333	1,000	125,250	
Peter A. Vaughn	35,000	20,000				5,625					60,625	

(3) The amounts in this column represent the aggregate grant date fair value of RSUs granted during fiscal 2014 computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718. On October 14, 2013, the Compensation Committee granted pro rata equity awards to Messrs. Sewell and Vaughn based upon their respective appointment dates to the Board of Directors for service as directors during fiscal 2013. Messrs. Sewell and Vaughn were granted 1,338 RSUs and 669 RSUs, respectively, which vested on September 26, 2014.

(4) Represents the aggregate incremental cost to the Company of a vacation package to one of our resorts donated by the director to a charity pursuant to the Perquisite Fund Program for directors. See below under "Limited Director Perquisites and Personal Benefits" for a

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description of this program.

- (5) As of July 31, 2014, Mr. Hernandez held 2,569 unvested RSUs.
- (6) As of July 31, 2014, Mr. Kincaid held 296 SARs and 2,569 unvested RSUs.
- (7) As of July 31, 2014, Mr. Redmond held 296 SARs and 2,569 unvested RSUs.
- (8) As of July 31, 2014, Ms. Schneider held 2,569 unvested RSUs.
- (9) As of July 31, 2014, Mr. Sewell held 3,907 unvested RSUs.
- (10) As of July 31, 2014, Mr. Sorte held 2,569 unvested RSUs.
- (11) As of July 31, 2014, Mr. Vaughn held 3,238 unvested RSUs.

Table of Contents

**DIRECTOR CASH COMPENSATION**

All of our non-employee directors receive annual cash fees, payable in quarterly installments. For fiscal 2013 through September 30, 2013, the annual cash retainer for each Board member was \$35,000 and meeting fees were \$5,000 for each Board meeting attended in person and \$1,000 for meetings attended telephonically. In addition, the Lead Director of the Board and the Chairman of the Audit Committee received an additional \$25,000 per year, each other Audit Committee member received an additional \$15,000 per year, the Chairman of the Compensation Committee received an additional \$15,000 per year, the Chairman of the Nominating & Governance Committee received an additional \$10,000 per year, and each other Compensation Committee member and Nominating & Governance Committee member received an additional \$5,000 each per year. A non-executive Chairman of the Board would have received an additional annual retainer of \$50,000, but our Chief Executive Officer was our Chairman of the Board during this period and he is not entitled to this retainer. Members of the Audit Committee received \$2,000 per committee meeting attended, members of the Compensation Committee and Nominating & Governance Committee received \$1,500 per committee meeting attended, and members of the Executive Committee received \$1,000 per committee meeting attended.

Effective October 1, 2013, the annual cash retainer for each Board member was \$35,000 and meeting fees were \$5,000 for each Board meeting attended in person and \$1,000 for meetings attended telephonically. In addition, the Lead Director of the Board received an additional \$40,000 per year and the Chairman of the Audit Committee received an additional \$25,000 per year. Each other Audit Committee member received an additional \$15,000 per year, the Chairman of the Compensation Committee received an additional \$20,000 per year, the Chairman of the Nominating & Governance Committee received an additional \$15,000 per year, and each other Compensation Committee member and Nominating & Governance Committee member received an additional \$7,500 each per year. Members of the Executive Committee received an additional \$10,000 per year. A non-executive Chairman of the Board would have received an additional annual retainer of \$50,000, but our Chief Executive Officer is currently our Chairman of the Board and he is not entitled to this retainer. Members of the Audit Committee received \$2,000 per committee meeting attended and members of the Compensation Committee and Nominating & Governance Committee received \$1,500 per committee meeting attended.

All directors received reimbursement of their reasonable travel expenses in connection with their service.

**DIRECTOR EQUITY COMPENSATION**

The Company provides its non-employee directors with equity compensation as determined each year by the Compensation Committee, which for fiscal 2014, was approximately \$175,000, which consisted of 2,569 RSUs granted on September 26, 2013 that cliff vest one year from the date of grant. The aggregate grant date fair value of these RSUs is set forth under the "Stock Awards" column of the Director Compensation Table and described in footnote 3 above. On October 14, 2013, the Compensation Committee granted pro rata equity awards to Messrs. Sewell and Vaughn based upon their respective appointment dates to the Board for service as directors during fiscal 2013. Messrs. Sewell and Vaughn were granted 1,338 RSUs and 669 RSUs, respectively, which vested on September 26, 2014.

**LIMITED DIRECTOR PERQUISITES AND PERSONAL BENEFITS**

Non-employee directors receive benefits consisting of lodging, ski school privileges and discretionary spending on services or goods at our resorts for personal use in accordance with the terms of the Company's Perquisite Fund Program. Each director is entitled to an annual \$40,000 allowance to be used at the Company's resorts in accordance with such program, under which directors may draw against the account to pay for services or goods at the market rate. Unused funds in each director's account at the end of each fiscal year are forfeited. In accordance with SEC rules, the value of these benefits is measured on



Table of Contents

the basis of the estimated aggregate incremental cost to the Company for providing these benefits, and perquisites and personal benefits are not reported in the Director Compensation Table for any director for whom such amounts were less than \$10,000 in the aggregate for the fiscal year. For this purpose, perquisites do not include benefits generally available on a non-discriminatory basis to all of our employees, such as skiing privileges.

In addition, each year we allow each director to designate one charity as the recipient of a vacation package with a retail value of no more than \$4,000 and to include only the same array of services that are eligible under the Perquisite Fund Program. We also require that the package be given as part of a public event, dinner or auction and that the Company receive appropriate credit and marketing presence.

**STOCK OWNERSHIP GUIDELINES FOR NON-EMPLOYEE DIRECTORS**

Each non-employee director must own the greater of five times his or her annual cash retainer for Board service or \$250,000 in value within five years of the date such director is elected or appointed to the Board. Directors are not permitted to sell any shares of common stock until such time as the ownership guidelines have been satisfied and then only to the extent that such sales do not reduce such director's ownership below the threshold requirement. Shares of common stock, stock owned in a directed retirement plan or IRA and the intrinsic value of vested equity grants count as stock ownership for purposes of these guidelines.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers, and persons who beneficially own more than 10% of our common stock, to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Our directors, executive officers and greater-than-10% stockholders are required by SEC rules to furnish us with copies of all Section 16(a) reports that they file. We file Section 16(a) reports on behalf of our directors and executive officers to report their initial and subsequent changes in beneficial ownership of our common stock. To our knowledge, based solely on a review of the reports we filed on behalf of our directors and executive officers, written representations from these persons that no other reports were required and all Section 16(a) reports provided to us, we believe that during fiscal 2014 our directors, executive officers and holders of more than 10% of our common stock filed the required reports on a timely basis under Section 16(a).

**TRANSACTIONS WITH RELATED PERSONS**

**RELATED PARTY TRANSACTIONS POLICY AND PROCEDURES**

We have adopted a written Related Party Transactions Policy that sets forth the Company's policies and procedures regarding the identification, review, consideration and approval or ratification of "related party transactions." For purposes of our policy only, a "related party transaction" is a transaction, contract, agreement, understanding, loan, advance or guarantee (or any series of similar transactions or arrangements) in which the Company and any "related person" are participants involving an amount that exceeds \$120,000. Transactions involving compensation for services provided to the Company solely in their capacity as an officer or director by a related person are not covered by this policy. A related person is any executive officer, director, or more than 5% stockholder of the Company, or any immediate family

Table of Contents

member of an executive officer or director, including any entity in which such persons are an officer or 10% or greater equity holder.

Under the policy, where a transaction has been identified as a related party transaction, management must present information regarding the proposed related party transaction to the Chairman of the Audit Committee, the full Audit Committee or the Board for consideration and approval or ratification, depending upon the size of the transaction involved. In considering related party transactions, the Audit Committee takes into account the fairness of the proposed transaction to the Company and whether the terms of such transaction are at least as favorable to the Company as it would receive or be likely to receive from an unrelated third party in a comparable or substantially comparable transaction.

As discussed above, we have adopted a Code of Ethics that applies to all directors, officers and employees. We make the Code of Ethics available to all directors, officers and employees and convey our expectation that every director, officer and employee read and understand the Code of Ethics and its application to the performance of each such person's business responsibilities. To assist in identifying such proposed transactions as they may arise, our Code of Ethics uses a principles-based guideline to alert directors, officers and employees to potential conflicts of interest. Under the Code of Ethics, a conflict of interest occurs when an individual's personal, social, financial or political interests conflict with his or her loyalty to the Company. Our policy under the Code of Ethics provides that even the appearance of a conflict of interest where none actually exists can be damaging and should be avoided. If any person believes a conflict of interest is present in a personal activity, financial transaction or business dealing involving the Company, then that person is instructed under the Code of Ethics to report such belief to an appropriate individual or department as identified in the Code of Ethics.

To ensure that our existing procedures are successful in identifying related party transactions, the Company distributed questionnaires to its directors and executive officers shortly following the end of the fiscal year which included, among other things, inquiries about any transactions they have entered into with us.

**CERTAIN RELATED-PERSON TRANSACTIONS**

During fiscal 2014 and through the date of this proxy statement, there were no related party transactions under the relevant standards described above.

Table of Contents

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

This CD&A describes our executive compensation program, the various components of our program and the compensation-related decisions made for fiscal 2014 with respect to our named executive officers ("NEOs"). For purposes of this CD&A and the compensation tables and narratives that follow, the NEOs for fiscal 2014 were:

Robert A. Katz, Chairman and Chief Executive Officer

Michael Z. Barkin, Executive Vice President and Chief Financial Officer

Blaise T. Carrig, President Mountain Division

Kirsten A. Lynch, Executive Vice President and Chief Marketing Officer

Randall E. Mehrberg, Executive Vice President, General Counsel and Secretary

#### Executive Summary

Our executive compensation program, which is grounded in the principle of pay-for-performance, is intended to reward our executive officers and senior management for sustained, high-level performance over the short- and long-term as demonstrated by measurable, company-wide performance metrics and individual contributions that are consistent with our overall growth strategy and achievement of goals. We compensate our executive officers and senior management with a combination of cash compensation (in the form of base salary and cash incentive compensation) and equity awards. Our compensation program has been structured to enhance our ability to achieve our short-term and long-term strategic goals and to retain and motivate our executive officers and senior management to achieve such goals.

#### *Our Executive Compensation Program Emphasizes Pay-for-Performance*

The primary objective of our executive compensation program is to emphasize pay-for-performance by incentivizing our executive officers and senior management to drive superior results and generate stockholder value. We accomplish this objective in the following ways:

*Annual Incentive Awards.* Our Management Incentive Plan ("MIP"), which applies to the award of annual cash incentive compensation, referred to in this CD&A as a "MIP award," is intended to focus our executive officers on the key corporate financial metrics that we believe drive our best results. As explained in more detail below, because Resort EBITDA (earnings before interest, taxes, depreciation and amortization, as reported for our Mountain and Lodging segments) is the primary performance metric associated with the MIP for our NEOs, their annual cash incentive fluctuates with our performance and the achievement of our annual goals as established by the Compensation Committee each fiscal year.

*Long-Term Equity Awards.* A significant portion of our NEOs' total annual compensation opportunity is in the form of long-term equity incentive compensation, including share appreciation rights ("SARs") and restricted share units ("RSUs"), each of which generally vest over three years.

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*High Percentage of Compensation is Variable or "At-Risk."* A significant percentage of our NEOs' compensation is tied to incentives or appreciation in our stock price, making the majority of pay for these individuals variable or at-risk. As executive officers attain greater levels of responsibility, the percentage of their total target compensation that is variable or "at-risk" increases and the percentage that is fixed decreases. As such, the NEO whose compensation is most heavily comprised of at-risk elements is our Chief Executive Officer ("CEO"). Our commitment to emphasizing performance-based compensation is illustrated by

Table of Contents

the following charts, which show the mix of our program's three primary direct compensation components (fixed compensation, consisting of base salary; variable or at-risk compensation, consisting of target annual incentive compensation; and actual long-term equity incentive awards granted in the fiscal year) for our CEO and, on average, for our other NEOs for fiscal 2014:

*Performance-Based Stock Awards for CEO.* In furtherance of our pay-for-performance philosophy and to further align the interests of our CEO with the interests of our stockholders, the Compensation Committee has determined that at least 50% of the shares subject to long-term equity incentive awards granted to our CEO each fiscal year (not including RSUs granted in payment of his annual MIP award which are already tied to the performance metrics set forth under the MIP) will be "performance-based" stock awards. These performance-based stock awards may include (i) awards that do not vest or become exercisable unless specific business performance goals established by the Compensation Committee at the time of grant of the award are satisfied, and/or (ii) SARs subject to time-based vesting criteria, but with an exercise price at least 25% greater than the fair market value of our common stock on the date of grant ("*Premium SARs*"). For fiscal 2014, the Compensation Committee determined that the performance-based stock awards would consist of Premium SARs and therefore awarded Mr. Katz long-term equity incentive awards consisting 50% of Premium SARs and 50% of SARs with an exercise price equal to the closing price of our common stock on the date of grant ("*Market SARs*").

*Our Executive Compensation Program is Supported by Our Stockholders*

At our annual meeting of stockholders on December 6, 2013, approximately 99.7% of the votes cast on the proposal were voted in support of the advisory resolution to approve the compensation of our named executive officers. After considering the results of this vote, the Compensation Committee concluded that there is strong stockholder support of our executive compensation program and its emphasis on pay-for-performance. As a result, the Compensation Committee determined to maintain the current executive compensation program. At our 2011 annual meeting, our stockholders expressed a preference that advisory votes on executive compensation occur every year, as recommended by our Board of Directors. Consistent with this preference, our Board of Directors has determined to implement an advisory vote on executive compensation every year until the next advisory vote on the frequency of stockholder votes on executive compensation, which will occur no later than the Company's annual meeting of stockholders in 2017.

*Fiscal 2015 Committee Actions*

For fiscal 2015, as part of its annual assessment of our compensation approach, including how we balance our pay-for-performance philosophy with the risk profile of our compensation mix, the Compensation Committee determined a new allocation of equity awards would strike a more appropriate

Table of Contents

balance of performance, risk and retention incentives regarding the long-term equity incentive awards granted to our CEO. As a result, for fiscal 2015, the Compensation Committee concluded that instead of providing the long-term equity incentive awards as 50% Premium SARs and 50% Market SARs (as was done for fiscal 2014), the Compensation Committee awarded Mr. Katz his long-term equity incentive awards as approximately 50% of the number of shares in Premium SARs and approximately 50% of the number of shares in a combination of Market SARs and RSUs.

In addition, for fiscal 2015, the Compensation Committee engaged Hewitt to conduct a competitive market study of the Company's executive compensation program and to advise on fiscal 2015 compensation decisions. The study analyzed our executive compensation relative to Hewitt's proprietary survey data as well as to publicly-traded peer group companies recommended by Hewitt and our Compensation Committee confirmed a peer group based upon this data. The peer group used by the Compensation Committee for fiscal 2015 compensation decisions consists of the following companies:

Boyd Gaming Corporation	Life Time Fitness Inc.
Cedar Fair, L.P.	Marriott International, Inc.
Choice Hotels International Inc.	Penn National Gaming Inc.
Churchill Downs Inc.	Pinnacle Entertainment, Inc.
Hyatt Hotels Corporation	Six Flags Entertainment Corporation
International Speedway Corporation	Starwood Hotels & Resorts Worldwide Inc.
Isle of Capri Casinos, Inc.	Wyndham Worldwide Corporation

*Effective Corporate Governance Reinforces Our Executive Compensation Program*

The following features of our executive compensation program are evidence of our commitment to good corporate governance practices generally:

**WHAT WE DO:**

***Annual Advisory Vote to Approve Executive Compensation.*** We provide our stockholders with an annual opportunity to vote on an advisory resolution to approve the compensation paid to our named executive officers as disclosed in the proxy statement.

***Independent Compensation Committee.*** Our executive compensation program is reviewed annually by the Compensation Committee, which consists solely of independent directors and makes all final determinations regarding executive compensation.

***Significant Portion of Executive Compensation Tied to Performance.*** A significant portion of our NEOs' compensation is comprised of elements of performance-based, incentive compensation that are tied to defined corporate and individual performance goals or stock price performance. In the last three fiscal years, approximately 82.8% of our CEO's total compensation and approximately 69.9% of our other NEOs' total compensation, on average, as reported in the Summary Compensation Table, has been in the form of short and long-term incentive-based compensation (MIP award and equity awards). In addition, at least 50% of the long-term equity incentives granted to our CEO each fiscal year consist of "performance-based" awards.

**WHAT WE DON'T DO:**

***No Excessive Perquisites.*** We provide our executives with only limited perquisites, which are generally limited to credit at our owned and operated properties and which are designed to incentivize our executives to visit and use our resorts in order to inform decision making regarding our business and provide relevant feedback concerning our properties and services.

***No Tax Gross-Ups on Perquisites.*** We do not pay tax gross-ups on the limited perquisites that our executives receive.

***No Excise Tax Gross-Ups.*** We are not required to pay excise tax gross-ups in connection with the change in control arrangements provided to our executives.

***No Golden Parachute Tax Gross-Ups.*** We do not provide excise tax gross-ups on post-retirement or termination compensation arrangements.

***No Automatic Salary Increases or Guaranteed Bonuses.*** We do not guarantee annual salary increases or bonuses and none of the employment agreements with any NEO contain such provisions.

Table of Contents

**WHAT WE DO:**

**Significant Portion of Executive Compensation Delivered in the Form of Long-Term Equity-Based Incentives.** A significant portion of our NEOs' compensation is comprised of long-term equity incentive awards, consisting of SARs and RSUs, which generally vest over three years. In the last three fiscal years, approximately 78.1% of our CEO's total compensation and approximately 61.0% of our other NEOs' total compensation, on average, as reported in the Summary Compensation Table, has been in the form of long-term equity-based incentives. Mr. Katz receives 50% of his annual MIP award in cash and the other 50% in RSUs that vest annually over a three-year period (included in the percentage above), meaning one-half of the MIP award earned on the basis of the Company's achievement of annual performance goals is subject to further time-based vesting and changes in the value of our common stock over that period.

**Market Alignment of Compensation But With Greater Emphasis on At-Risk Compensation.** To attract and retain talented executives, we seek to align target pay levels for our NEOs between the 50<sup>th</sup> and 75<sup>th</sup> percentile of compensation as compared with companies in our peer group. However, as compared with companies in our peer group, we generally make at-risk compensation a more significant component of our NEOs' compensation in order to emphasize pay-for-performance and we generally make SARs a much larger portion of their at-risk compensation than RSUs.

**Independent Compensation Consultant.** The Compensation Committee periodically retains and receives advice from an independent compensation consultant.

**Clawback Policy.** The Compensation Committee adopted a clawback policy that, in the event of a financial restatement, allows us to recoup incentive compensation from executive officers that was paid based on the misstated financial information.

**Stock Ownership Guidelines.** Our executive officers are subject to stock ownership guidelines, requiring that they hold a meaningful amount of our common stock, which helps to align their interests with those of our stockholders.

**Use of Tally Sheets.** The Compensation Committee uses tally sheets that provide information as to all compensation that is potentially available to our NEOs when evaluating executive compensation.

**Annual Risk Assessment.** The Compensation Committee annually conducts a compensation risk assessment to determine whether our compensation policies and practices, or components thereof, create risks that are reasonably likely to have a material adverse effect on the Company.

**WHAT WE DON'T DO:**

**No "Single Trigger" Automatic Payments or Benefits Upon a Change in Control.** The change in control arrangements provided to our executives require a termination event (including a termination by the executive for "good reason") following a change in control before any cash based payments or benefits are triggered.

**No Hedging.** Under our Insider Trading Compliance Program, our executives are prohibited from conducting short sales or using derivatives or other instruments designed to hedge against the risk of ownership of our securities, including put and call options and collar transactions.

**No Equity Repricing.** We expressly prohibit the repricing of underwater stock options and SARs without stockholder approval.

**No Pension Plans or SERPs.** We do not provide our executives with tax-qualified defined benefit pension plans or supplemental executive retirement plans.

Table of Contents

**Key Objectives of Our Executive Compensation Program**

Our executive compensation program focuses on the following three key objectives:

*Emphasizing Pay-for-Performance.* Emphasize pay-for-performance by tying annual and long-term compensation incentives to achievement of specified performance objectives or overall stock performance.

*Attracting, Retaining and Motivating.* Attract, retain and motivate talented executives who will determine our long-term success. We have structured our executive compensation program to be competitive with compensation paid by companies in the same market for executive talent.

*Rewarding Contributions and Creating Long-Term Value.* We have structured our compensation program to recognize and reward contributions of all employees, including executive officers, in achieving strategic goals and business objectives, while aligning the program with stockholder interests.

**Compensation-Setting Process**

*Participants in Setting Executive Compensation*

The Compensation Committee is responsible for determining the compensation of our executive officers, including our NEOs. In appropriate circumstances, such as when new market data supports a market adjustment, the Compensation Committee, in its discretion, considers the recommendations of our CEO in setting executive compensation, including the compensation of the other NEOs. The Compensation Committee, however, makes all final determinations regarding these awards and no executive officer is involved in the deliberations or the determination with respect to his or her own compensation. The non-management directors' practice is to meet in executive session following the Board meeting in September of each year to review and ratify the Compensation Committee's annual review of the CEO.

*Comparative Framework*

To achieve our executive compensation objectives, the Compensation Committee periodically analyzes market data and evaluates individual executive performance with a goal of setting compensation at levels the Compensation Committee believes, based on their general business and industry knowledge and experience, are comparable with executives in other companies operating in the leisure, travel, gaming and hospitality industries, which we refer to as our "peer group." We face a somewhat unique challenge in establishing a peer group because few publicly-traded companies participate in more than one of our operating segments. Thus, when evaluating executive compensation, the Compensation Committee includes in our peer group a variety of leisure, travel, gaming and hospitality companies with whom we may compete for executive talent and the discretionary travel dollars of our guests.

When performing its annual executive compensation review, the Compensation Committee has sole authority to engage an independent compensation consultant to assist in obtaining market data and analyzing the competitive nature of our compensation programs. The Compensation Committee engaged Hewitt to conduct a competitive market study of the Company's executive compensation program and to advise on fiscal 2014 compensation decisions. The study analyzed our executive compensation relative to Hewitt's proprietary survey data as well as to publicly-traded peer group companies recommended by Hewitt and our Compensation Committee then confirmed a peer group based upon this data. The peer



Table of Contents

group used by the Compensation Committee for fiscal 2014 compensation decisions consisted of the following companies:

Boyd Gaming Corporation	MGM Resorts International
Cedar Fair, L.P.	Pinnacle Entertainment, Inc.
Choice Hotels International Inc.	Ryman Hospitality Properties, Inc. Starwood Hotels & Resorts Worldwide Inc.
Isle of Capri Casinos, Inc.	Wyndham Worldwide Corporation
Las Vegas Sands Corp.	Wynn Resorts Ltd.
Life Time Fitness Inc.	
Marriott International, Inc.	

The Compensation Committee uses survey and peer group information generally for competitive and retention purposes. Generally, we seek to align target pay levels for our NEOs between the 50<sup>th</sup> and 75<sup>th</sup> percentile of compensation as compared with companies in our peer group. However, as compared with companies in our peer group, we generally make at-risk compensation a more significant component of our NEOs' compensation in order to emphasize pay-for-performance. We believe that compensating our NEOs with a larger proportion of at-risk compensation elements (such as MIP award, SARs and RSUs) in relation to more static compensation elements (such as base salary) and a larger proportion of long-term equity incentives (such as SARs and RSUs) in relation to short-term compensation elements (such as base salary and MIP award) compared with the peer group more closely aligns the interests of our NEOs with those of our stockholders. The Hewitt study further validates that our executive compensation program continues to be aligned with our stated philosophy.

The Compensation Committee will continue to seek advice from independent compensation consultants as it deems necessary on a periodic basis to help ensure that the Company's compensation programs remain appropriate and consistent with industry practices. Although the Compensation Committee believes that it is important to periodically review the compensation policies of its peer group and the survey data, the Compensation Committee also believes that our executive compensation program must further our business objectives and be consistent with our culture. Therefore, while the Compensation Committee reviews the peer group and survey data, including the total and type of compensation paid to executive officers at peer group companies to further validate that the compensation paid to the executive officers remains competitive, the Compensation Committee does not necessarily make any particular adjustments to the compensation paid to the executive officers based on the peer group or survey data.

*Company-Specific Factors*

In addition to considering market data with respect to executive compensation practices of companies within our peer group, the Compensation Committee takes into account individual performance, our retention needs, our relative performance and our own strategic goals. Also, we conduct an annual review of the aggregate level of our executive compensation program as part of our annual budget review and annual performance review processes, which include determining the operating metrics and non-financial elements used to measure our performance and to compensate our executive officers. For example, in fiscal 2010, as part of a Company-wide wage reduction plan to control expenses, our executive officers were subject to a 10% salary reduction and our CEO received no salary for a twelve-month period.

The Compensation Committee, in conjunction with any data and recommendations provided by our independent compensation consultant in any given year, also annually analyzes tally sheets prepared for each NEO. These tally sheets present the dollar amount of each component of the NEO's compensation, including current cash compensation (base salary and MIP award), perquisites and the value of equity awards previously granted to the NEO, as well as the amounts that would have been payable to the NEO if employment had been terminated under a variety of scenarios as of the end of the most recently completed fiscal year. The Compensation Committee uses these tally sheets, which provide substantially the same information as is provided in the tables included in this proxy statement, together with peer group data,

Table of Contents

primarily for purposes of analyzing our NEOs' total compensation and determining whether it is appropriate to adjust the compensation mix for our NEOs on a going forward basis. In its most recent review of tally sheets, the Compensation Committee determined that total compensation amounts for our NEOs remained consistent with our executive compensation philosophy and objectives.

**Elements of Compensation**

*Overview*

Our executive compensation program consists of the following elements:

<b>Compensation Element</b>	<b>Objective</b>	<b>Key Features Specific to NEOs</b>
Base Salary	To attract and retain executives with a proven track record of performance	<p>Established based primarily on the scope of their responsibilities, taking into account individual performance and experience, competitive market compensation for similar positions, as well as seniority of the individual, our ability to replace the individual, the impact the individual's loss would have to the Company, and other factors which may be deemed to be relevant by the Compensation Committee, in their discretion.</p> <p>Reviewed annually by the Compensation Committee and, based on this review, may be adjusted to realign salaries with market levels after taking into account individual responsibilities, the impact upon, and relative level of responsibility for, the Company's performance, long-term Company and individual performance and expertise.</p> <p>No guaranteed increases to base salary.</p>
Annual MIP Award	To incentivize achievement of annual financial, operational and strategic goals and achievement of individual annual performance objectives	<p>For each fiscal year, Company and individual performance elements drive two different aspects of the MIP: (1) the aggregate amount of funds available under the MIP (driven by Company performance), and (2) the specific allocation of awards to participants under the MIP (driven by Company performance for Mr. Katz and individual performance for the other NEOs).</p> <p>Mr. Katz receives his annual MIP award 50% in cash and 50% in RSUs that vest annually over a three-year period.</p>

Table of Contents

**Compensation  
Element**

Equity Incentives

**Objective**

To increase long-term stockholder value by retaining our executive officers in a competitive business environment and aligning the interests of these officers with those of our stockholders by encouraging stock ownership by our executive officers

**Key Features Specific to NEOs**

Equity awards are granted under our Amended and Restated 2002 Long Term Incentive and Share Award Plan, referred to in this proxy statement as the 2002 Plan, previously approved by stockholders.

For fiscal 2014, we used grants of service-based vesting RSUs and SARs because RSUs and SARs provide both a high perceived value and strong retention value, and in part because executives do not incur out-of-pocket expenses to participate in these equity awards, thus providing additional linkage between the interests of our NEOs and our stockholders.

The Compensation Committee has adopted a long-term equity-based incentive grant practice for our CEO, such that at least 50% of the grants will be performance-based. In fiscal 2014, this consisted of 81,340 SARs, which vest annually over three years and have exercise prices that are 25% greater than the fair market value of our common stock on the date of grant.

The use of RSUs aligns the interests of our executives with that of our stockholders through stock ownership.

SARs are granted with an exercise price of no less than the fair market value of our common stock on the date of grant (and in some cases as noted above, with an exercise price that exceeds the fair market value on the date of grant), and as a result, executives realize value only to the extent the price of our common stock appreciates after the grant date.

RSUs and SARs typically vest annually over three years. However, in certain instances, the Compensation Committee grants awards with cliff vesting as a retention tool where, for instance, the entire award does not vest until the end of a three-year period.

Deferred Compensation

To attract and retain executives with a proven track record of performance and to provide a tax-efficient means for executives to save for retirement

Executives can elect to defer up to 80% of their base salary and 100% of their annual MIP award.

Executives can invest these amounts in pre-tax dollars in designated hypothetical investments for their accounts, and their accounts are credited with gains or losses in accordance with their selections.

Table of Contents

**Compensation**

**Element**

Limited Perquisites

**Objective**

To incentivize executives to use the Company's services in order to help them in their performance by allowing them to evaluate our resorts and services based upon firsthand knowledge

**Key Features Specific to NEOs**

Includes benefits relating to the use of one or more of our owned and operated private clubs, including skiing and parking privileges, as a part of their responsibilities and employment.

Also includes our Perquisite Fund Program, under which certain of our senior management, receive an annual allowance, based on executive level, to be used at the Company's owned or operated resorts. Executives may draw against the account to pay for services or goods, at the market rate for the applicable resort or services. Amounts of the fund used by executives are taxed as ordinary income, like other compensation. Unused funds in each executive's account at the end of each fiscal year are forfeited.

All Company employees enjoy skiing privileges, not just our executives.

**2014 Compensation Decisions**

*Base Salary*

The Compensation Committee generally reviews and adjusts base salaries annually at its September committee meeting, with new salaries effective in mid-October. The following table sets forth the annual base salaries approved by the Compensation Committee for fiscal 2014 compared to fiscal 2013 and shows the percentage change from the prior year. Fiscal 2014 base salary increases were approved for all NEOs in recognition of achieving their individual performance goals in fiscal 2013 and, except as otherwise set forth below, consistent with 3.0% merit increases for employees generally who achieved their individual performance goals in the prior fiscal year.

Name	Fiscal 2014	Fiscal 2013	% Change
	Base Salary	Base Salary	
Robert A. Katz	\$ 823,125	\$ 799,150	3.0%
Michael Z. Barkin <sup>(1)</sup>	\$ 333,267	\$ 330,000	1.0%
Blaise T. Carrig	\$ 416,079	\$ 403,960	3.0%
Kirsten A. Lynch	\$ 338,252	\$ 328,400	3.0%
Randall E. Mehrberg <sup>(2)</sup>	\$ 340,000		

(1) Mr. Barkin was appointed Executive Vice President and Chief Financial Officer effective April 8, 2013. Amount shown reflects his base annual salary effective upon his appointment.

(2) Mr. Mehrberg joined the Company as Executive Vice President and General Counsel on December 2, 2013. Amount shown reflects his base annual salary effective upon his appointment.

Table of Contents

*Annual MIP Awards*

Following the completion of fiscal 2014, all of our NEOs were eligible to receive an annual cash MIP award based on our performance and each NEO's individual performance during fiscal 2014. Pursuant to his employment agreement, Mr. Katz's MIP award is paid 50% in cash and 50% in RSUs that vest annually over a three-year period.

*Annual Funding of the MIP.* Annual funding of the MIP is based upon our achievement of performance measures selected by the Compensation Committee. The Compensation Committee has established (1) Resort EBITDA, and (2) performance goals for Vail Resorts Development Company ("*VRDC Performance Goals*"), as the performance measures to determine funding of the MIP for our NEOs. The Compensation Committee believes these are the appropriate performance measures because Resort EBITDA is the primary performance metric used by the Company to measure its performance and VRDC Performance Goals promote a long-term focus on performance because the real estate and development portion of our business tends to use different measures of success, including net cash flow generated from sales and other operational targets related to construction and development of new projects that are most often multi-year endeavors, with revenue and expenditure happening across long periods of time. For purposes of setting annual funding targets under the MIP, the Compensation Committee bases the Resort EBITDA target on the target set by our Board of Directors annually when approving the Company's budget and bases VRDC Performance Goals on Board of Directors approved targets for Real Estate EBITDA and net cash proceeds from real estate sales. In setting the performance measures for any given fiscal year, the Compensation Committee considers our past performance, broader economic trends that may impact us in the upcoming year, and our historical performance in relation to the MIP award targets set in the respective prior periods.

Please see pages 38 and 53 of our Annual Report on Form 10-K for fiscal 2014 filed with the SEC on September 24, 2014 for information regarding our use of the non-GAAP financial measures discussed in this CD&A and a reconciliation of the differences between the non-GAAP financial measures and their most directly comparable GAAP financial measures.

*Resort EBITDA Target.* For fiscal 2014, the Resort EBITDA target was set at \$286.9 million. Both the Resort EBITDA and Real Estate EBITDA targets (which comprised a portion of the VRDC Performance Goals for the fiscal year as described below) were based on our approved budget for fiscal 2014. The Compensation Committee established the performance measures at the beginning of the fiscal year with the expectation that the target level of performance of these goals would require significant effort and substantial progress toward our strategic plan goals in light of the business environment at that time. As a result, our attainment of these targets in fiscal 2014 was considered moderately likely.

*VRDC Performance Goals Target.* For fiscal 2014, the VRDC Performance Goals included, among other things, attaining a Real Estate EBITDA target of \$(11.4) million and achieving net cash proceeds from real estate sales of \$40.4 million, in each case with respect to our real estate segment. For the VRDC Performance Goals, the Compensation Committee sets out several specific goals, each of which has a separate weighting within that portion of the funding calculation for corporate performance. Among these specific goals, we expect that some should be achievable, some will be challenging to achieve and others will be difficult to achieve. Over the past three fiscal years, VRDC completed the number of goals resulting in between approximately 111.0% and 150.0% funding of the VRDC Performance Goals portion of corporate performance, with an average funding over this time of 136.0%.

*How the MIP Is Funded.* For fiscal 2014, for each NEO, 85% of the funding of the MIP was based upon the achievement of Resort EBITDA and 15% was based upon achievement of the VRDC Performance Goals, including Real Estate EBITDA. Under the MIP, if we achieve 100% of the Resort EBITDA target, the MIP is funded at 100% of the target funding level for that component, as is more fully detailed in the table below. If our performance exceeds 100% of the Resort EBITDA target, the MIP is

Table of Contents

funded above the target funding level for that component up to a maximum of 200% of the target funding level. If our performance falls below 100% of the annual Resort EBITDA target, the MIP is funded below the target funding level for that component. If our performance falls below 80% of the annual Resort Reported target, the MIP is not funded for that component.

**MIP Funding for Resort EBITDA Component**

<b>Percentage of Target Performance Achieved</b>	<b>Percentage of Annual Target Funding Level Available under the MIP</b>
Less than 80%	0%
80%	15%
90%	25%
95%	50%
100%	100%
110%	175%
120% or greater	200%

The other component of the MIP funding calculation for NEOs is the attainment of the VRDC Performance Goals. If the minimum percentage of the Resort EBITDA target is not reached and no VRDC Performance Goals are met, then the MIP is not funded for the NEOs and no MIP awards are paid to them. In the event our Resort EBITDA for any fiscal year meets the specific threshold or target level, and/or we achieve any of the VRDC Performance Goals, then the MIP is funded at the appropriate level and each NEO is eligible to receive a MIP award. In addition, once the MIP is funded based upon each NEO's target MIP award percentage, the total pool for NEOs is increased by 5%, with such excess being paid out, if any, at the discretion of the Compensation Committee based upon individual performance.

*Target Annual MIP Awards.* For fiscal 2014, each NEO was eligible for an annual MIP award based on a percentage of annual base salary as follows:

<b>Name</b>	<b>2014 Target Annual MIP Award as Percentage of Base Salary</b>
Robert A. Katz	100.0%
Michael Z. Barkin	50.0%
Blaise T. Carrig	60.0%
Kirsten A. Lynch	50.0%
Randall E. Mehrberg	50.0%

The differences between the NEOs' target MIP awards as a percentage of their base salaries was determined based upon the perceived ability each executive position has to influence our performance. The positions deemed to have the most potential impact upon our performance have the greatest potential for annual MIP award potential, putting a greater proportion of such NEO's total pay at-risk relative to performance, in accordance with our executive compensation philosophy. Threshold, target and maximum awards payable under the MIP for fiscal 2014 are reported in the Grants of Plan-Based Awards Table.

*Individual MIP Award Determination.* Once funding is established, the actual MIP award paid to each NEO is determined by individual performance objectives (other than for Mr. Katz, whose award is based solely on the funded amount of target MIP determined by Company performance because, unlike other NEOs, he is responsible for all aspects of Company performance). This structure reflects our objective to put more emphasis on individual performance oriented compensation, while at the same time

Table of Contents

requiring that overall Company performance standards are met before MIP funding can occur. Achievement of individual performance objectives can result in the NEO receiving a MIP award equal to 0%, 70%, 100%, 115% or 130% of the funded amount (subject to availability of funds under the MIP) and subject to further adjustments (including the 5% adjustment described above) at the discretion of the Compensation Committee. Individual performance objectives vary depending upon our strategic plan and each NEO's individual responsibilities and are established at the beginning of each fiscal year, with the expectation in fiscal 2014 that the target level of performance of these objectives would require significant effort and substantial progress toward the goals of our strategic plan in light of the current business environment. As a result, each NEO's attainment of his or her performance objectives in fiscal 2014 was moderately likely.

*Example.* An executive whose MIP award funding is 85% based on Resort EBITDA and 15% based upon achievement of VRDC Performance Goals, earning \$300,000 annually with a target MIP award of 50% of base salary, would have an available MIP award funding of \$127,500 for 100% achievement of Resort EBITDA (100% times 50% salary target times 85% funding), plus \$22,500 for 100% achievement of VRDC Performance Goals (100% times 50% salary target times 15% funding), for a total of \$150,000, or 100%, of target funding. However, because 100% of an executive's total MIP award is determined by the achievement of individual performance objectives, an executive's ultimate total MIP award can be paid out in an amount equal to 0%, 70%, 100%, 115% or 130% of the target amount based on individual performance (subject to availability of funds under the MIP).

*Fiscal 2014 Results.* In fiscal 2014, the Compensation Committee adjusted the Resort EBITDA actual results to reflect the unbudgeted and unanticipated changes in the legal expenses associated with the recent litigation surrounding the Canyons and Park City lease, which the Compensation Committee did not consider to be relevant to the performance of the Company's Mountain and Lodging divisions, which comprise Resort EBITDA. As a result, in fiscal 2014, we met 94.7% of the Resort EBITDA target, which resulted in a funding level at 48.7% of the target funding level for that component of the funding calculation. In fiscal 2014, VRDC achieved VRDC Performance Goals resulting in a funding level of 150.0% for the VRDC Performance Goals component of the funding calculation. Combined with the Resort EBITDA funding, this resulted in an overall funding level of 63.90% of the target funding level for each NEO. Based upon these results and individual performance, the Compensation Committee determined the final MIP award amounts as follows:

Name	Fiscal 2014		Actual		Change	
	Target MIP Award		Fiscal 2014 Payout Percentages <sup>(1)</sup>	Fiscal 2014 Actual MIP Award	Fiscal 2013 Actual MIP Award	from Fiscal 2013 Actual MIP Award
Robert A. Katz <sup>(2)</sup>	\$823,125	x	63.90% =	\$525,976	\$510,497	3.0%
Michael Z. Barkin <sup>(3)</sup>	\$166,634	x	63.90% =	\$106,479	\$82,315	29.4%
Blaise T. Carrig	\$249,647	x	63.90% =	\$159,525	\$162,572	(1.9)%
Kirsten A. Lynch	\$169,126	x	63.90% =	\$108,072	\$110,136	(1.9)%
Randall E. Mehrberg <sup>(4)</sup>	\$113,333	x	63.90% =	\$72,420		

- (1) Actual payout percentages are based upon the MIP funded amount and, for each NEO other than the CEO whose payout percentage equals the 63.90% funding level of the MIP, achievement of his or her individual performance objectives. In fiscal 2014, payout percentages were based upon the 63.90% funding level of the MIP and no adjustments were made based upon individual performance objectives.
- (2) Pursuant to his employment agreement, Mr. Katz's MIP award is paid 50% in cash and 50% in RSUs.
- (3) Mr. Barkin's fiscal 2013 actual MIP award was based upon four months in his role as Executive Vice President and Chief Financial Officer and eight months in his prior role as Vice President of Strategy and Development.
- (4) Mr. Mehrberg did not receive a MIP award in fiscal 2013 because he joined the Company on December 2, 2013. His fiscal 2014 target MIP award is based upon a pro rata portion of his annual base salary for fiscal 2014.



Table of Contents

*Long-Term Equity Incentives*

Our long-term equity incentive award program is designed to promote long-term Company performance and align each executive's risk with stockholder interest, to reward the achievement of long-term goals, and to promote stability and corporate loyalty among our executives. The Compensation Committee bases awards of long-term equity compensation on a number of different factors, including competitive market practices as determined by our peer group analysis, the information provided by our independent compensation consultant, the amount of cash compensation that is currently paid to each NEO, each NEO's level of responsibility, our retention objectives and our pay-for-performance philosophy. In general, the Compensation Committee makes long-term equity award determinations for executive officers in September of each year and typically consults with our CEO in determining the size of grants to each NEO, other than himself, although the Compensation Committee makes all final determinations. The non-management directors' practice is to meet in executive session following the Board meeting in September of each year to review and ratify the Compensation Committee's annual review of the CEO. In fiscal 2014, the Compensation Committee granted long-term equity incentive awards under the 2002 Plan. For fiscal 2014, the Compensation Committee did not make any changes to the long-term incentive program.

As noted above, the long-term equity values awarded to our NEOs are based on a number of different factors considered by the Compensation Committee. For fiscal 2014, the Compensation Committee generally awarded each NEO equity values consistent with previous year levels, increased by 3.5% from the prior fiscal year, with certain additional adjustments as determined appropriate based upon an executive's individual performance and changes in scope of responsibility. As described elsewhere in this CD&A, 50% of the long-term equity incentive awards awarded to Mr. Katz are performance-based SARs with an exercise price equal to 125% of the closing price on the date of grant. In addition, Mr. Carrig was awarded \$500,000 in RSUs that cliff vest three years after the date of grant for retention purposes. Similarly, Mr. Mehrberg was awarded \$700,000 in RSUs that cliff vest three years after the date of grant for retention purposes and in connection with his appointment as Executive Vice President and General Counsel in December 2013.

As in previous years, the long-term equity incentive awards granted to our NEOs in fiscal 2014 consisted of RSUs and SARs. In determining the mix of RSUs and SARs granted to each of our NEOs in fiscal 2014, the Compensation Committee considered that, of the two forms of equity awards, RSUs have a relatively greater retentive effect, and SARs have a relatively greater performance incentive impact. For fiscal 2014, and excluding Messrs. Carrig and Mehrberg's awards noted above, approximately 22.7% of the long-term equity incentive award value is attributed to RSUs and approximately 77.3% of the award value is attributed to SARs for our NEOs other than the CEO. For our CEO, approximately 6.7% of the long-term equity incentive award value is attributed to RSUs (consisting solely of RSUs in partial payment of his MIP award) and approximately 93.3% of the award value is attributed to SARs. To further promote retention, the RSUs and SARs granted in fiscal 2014, other than Messrs. Carrig and Mehrberg's awards noted above, vest in equal annual installments over a three year period commencing on the first anniversary date of the grant. As the awards are inherently tied to the performance of our common stock, we consider a vesting schedule based on continued service appropriate to meet the desire for both retention and performance incentive.

The value of the equity awards granted to our NEOs in fiscal 2014 are reported in the Summary Compensation Table and are further described in the Grants of Plan-Based Awards Table.

Table of Contents

**Other Executive Compensation Policies and Practices**

*Clawback Policy*

In line with corporate governance best practices, in October 2010 the Compensation Committee adopted a clawback policy that allows the Company to seek repayment of incentive compensation that was erroneously paid. The policy provides that if the Board of Directors determines that there has been a material restatement of publicly issued financial results from those previously issued to the public, our Board of Directors will review all MIP awards made to executive officers during the three-year period prior to the restatement on the basis of having met or exceeded specific performance targets. If such payments would have been lower had they been calculated based on such restated results, our Board of Directors will (to the extent permitted by governing law) seek to recoup the payments in excess of the amount that would have been paid based on the restated results.

*Equity Grant Practices*

We generally seek to make equity compensation grants in the first quarter following the completion of a given fiscal year. SARs are granted with an exercise price equal to or higher than the market price of our common stock on the date of grant, which is the date the Compensation Committee approves the award. We do not have any specific program, plan or practice related to timing equity compensation awards to executives; however, the Compensation Committee generally grants annual awards on the date of the regularly scheduled first quarter Board of Directors meeting in September. Other than grants made in connection with hiring, promotions or to replace certain new hire grants once they vest and/or are exercised, equity awards are granted to NEOs at the same time that equity awards are granted to all other employees who are eligible for such awards.

*Stock Ownership Guidelines for Executives*

Consistent with our objective of encouraging executive stock ownership to create long-term stockholder value by aligning the interests of our executives with our stockholders, the Company has adopted executive stock ownership guidelines. Under the guidelines, our executive officers are expected to hold shares of our common stock equal to multiples of their base salaries as follows: Chief Executive Officer 6x; Chief Financial Officer 3x; Presidents 3x; and Executive Vice Presidents 2x. Until an executive achieves the required level of ownership, he or she is required to retain at least 75% of the net shares received as a result of the vesting of RSUs or restricted stock or the exercise of SARs or stock options. Net shares are those that remain after shares are netted to pay any applicable exercise price or statutory tax withholdings. Shares of common stock, stock owned in a directed retirement plan or IRA and the intrinsic value of vested equity grants count as stock ownership for purposes of these guidelines.

*Policy Prohibiting Hedging Transactions*

Our Insider Trading Compliance Program prohibits our executives from engaging in hedging transactions designed to offset decreases in the market value of the Company's securities, including engaging in short sales or investing in other derivatives of the Company's securities, including put and call options and collar transactions.

*Post-Termination Compensation*

Pursuant to their respective employment agreements, each of Messrs. Katz and Carrig are entitled to receive severance payments and continuation of certain benefits upon certain terminations of employment, including certain resignations for "good reason" (as defined in their respective agreements). Pursuant to the Company's executive severance policy, Messrs. Barkin and Mehrberg and Ms. Lynch are also entitled to receive severance payments upon certain terminations of employment. In addition, each NEO is entitled

Table of Contents

to receive payments upon a termination occurring within a limited period of time following a change in control. We believe the change in control arrangements provide continuity of management in the event of an actual or threatened change in control. We also believe that our termination and severance provisions reflect both market practices and competitive factors. Our Board believed that these severance payments and benefit arrangements were necessary to attract and retain our executives when these agreements were entered into.

*Executive Tax Deductibility of Executive Compensation*

Section 162(m) of the Internal Revenue Code (the "Code") generally provides that no federal income tax business expense deduction is allowed for annual compensation in excess of \$1 million paid by a publicly traded corporation to its chief executive officer and its three other most highly compensated executive officers (other than the chief financial officer). Under the Code, however, compensation that is considered "performance-based compensation" (within the meaning of the Code) does not count towards the \$1 million limit. While the Compensation Committee considers the impact of the tax treatment, the primary factor influencing program design is the support of business objectives. The Compensation Committee reserves the right to design programs that recognize a full range of performance criteria important to our success, even where the compensation paid under such programs may not be deductible. Accordingly, the Compensation Committee retains flexibility to structure our compensation programs in a manner that is not tax-deductible in order to achieve a strategic result that the Compensation Committee determines to be more appropriate. We have typically intended to structure certain quantitative portions of our cash-based incentive compensation and our equity awards to our covered executive officers under the 2002 Plan and MIP as qualifying performance-based compensation for Section 162(m) purposes. However, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, no assurance can be given, notwithstanding our efforts, that compensation intended by us to satisfy the requirements for deductibility under Section 162(m) does in fact do so.

Table of Contents**SUMMARY COMPENSATION TABLE FOR FISCAL 2014**

The following table summarizes the total compensation paid or earned by the named executive officers for each of the last three fiscal years during which the officer was a named executive officer:

<b>Name and Principal Position</b>	<b>Fiscal Year</b>	<b>Salary (\$)<sup>(1)</sup></b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)<sup>(2)</sup></b>	<b>Option/Share Appreciation Right Awards (\$)<sup>(3)</sup></b>	<b>Non-Equity Incentive Plan Compensation (\$)<sup>(4)</sup></b>	<b>Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)</b>	<b>All Other Compensation (\$)<sup>(5)</sup></b>	<b>Total (\$)</b>
Robert A. Katz Chairman and Chief Executive Officer	2014	822,602		262,988 <sup>(6)</sup>	3,652,979	262,988 <sup>(6)</sup>		29,987	5,031,544
	2013	798,553		255,249 <sup>(6)</sup>	3,529,457	255,249 <sup>(6)</sup>		33,563	4,872,071
	2012	771,528		155,920 <sup>(6)</sup>	3,410,097	155,920 <sup>(6)</sup>		31,007	4,524,472
Michael Z. Barkin Executive Vice President and Chief Financial Officer	2014	334,046		103,552	346,673	106,479		7,943	898,693
	2013	286,769		565,422	229,457	82,315		3,313	1,167,276
Blaise T. Carrig President Mountain Division	2014	415,815		675,853	605,711	159,525		37,297	1,894,201
	2013	404,889		146,593	608,480	162,572		17,612	1,340,146
	2012	379,404		110,741	481,353	97,057		182,556	1,251,111
Kirsten A. Lynch Executive Vice President and Chief Marketing Officer	2014	338,037		100,719	346,920	108,072		19,691	913,439
Randall E. Mehrberg Executive Vice President, General Counsel and Secretary	2014	227,538		786,293	288,894	72,420		32,288	1,407,433

- (1) Amounts shown reflect salary earned during the fiscal year, which differ from base salaries in that year based in part on the timing of previous year annual adjustments, mid-year promotions, service period and other adjustments in any given year.
- (2) Awards consist of RSUs. The amounts represent the aggregate grant date fair value of RSUs granted during the applicable fiscal year computed in accordance with FASB ASC Topic 718, and do not represent cash payments made to individuals or amounts realized, or amounts that may be realized. Assumptions used in the calculation of these amounts are included in note 16 to our audited financial statements for fiscal 2014, which are included in our Annual Report on Form 10-K for fiscal 2014 filed with the SEC on September 24, 2014.
- (3) Awards consist of SARs. The amounts represent the aggregate grant date fair value of SARs granted during the applicable fiscal year computed in accordance with FASB ASC Topic 718, and do not represent cash payments made to individuals or amounts realized, or amounts that may be realized. Assumptions used in the calculation of these amounts are included in note 16 to our audited financial statements for fiscal 2014, which are included in our Annual Report on Form 10-K for fiscal 2014 filed with the SEC on September 24, 2014.
- (4) In September 2014, pursuant to the MIP, as more fully described in the CD&A section of this proxy statement, and based upon the attainment of performance targets previously established by the Compensation Committee under the MIP, the Compensation Committee approved 2014 cash MIP awards for its NEOs. Such amounts were paid in October 2014.
- (5) All other compensation for fiscal 2014 includes the following:

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Name	Fiscal Year	Company Contributions Under 401(k) Savings Plan (\$) <sup>(a)</sup>	Company-paid Supplemental Life Insurance Premiums (\$) <sup>(b)</sup>	Company-paid Supplemental Disability Insurance Premiums (\$) <sup>(c)</sup>	Company-paid Relocation Compensation <sup>(d)</sup>	Company-paid Lodging, Ski School Privileges and Discretionary Spending on Goods and Services (\$) <sup>(e)</sup>	Total (\$)
Robert A. Katz	2014	7,650	7,043	1,824		13,470	29,987
Michael Z. Barkin	2014	7,295	648				7,943
Blaise T. Carrig	2014	4,449	648	11,992		20,208	37,297
Kirsten A. Lynch	2014	5,926	648	2,080		11,037	19,691
Randall E. Mehrberg	2014		648		20,158	11,482	32,288

(a) Consists of Company contributions to the NEO's accounts in the Company's tax-qualified 401(k) plan.

(b) Consists of premiums paid on behalf of the NEO for supplemental life insurance.

(c) Consists of premiums paid on behalf of the NEO for supplemental disability insurance.

(d) Consists of relocation related expenses, including tax gross-up payments related to such expenses, in connection with his relocation to Colorado.

(e) In fiscal 2014, our NEOs were entitled to participate in our Perquisite Fund Program, under which certain of the Company's executive officers receive an annual allowance based on executive level to be used at the Company's resorts. For fiscal 2014, annual allowances for NEOs were as follows: CEO \$70,000; President \$40,000; and Executive Vice President \$30,000. Executives may draw against the account to pay for services or goods at the market rate. Amounts of the fund used by the NEO are taxed as ordinary income, like other compensation. The amounts reported include the amounts used by the NEO towards lodging, ski school privileges and discretionary spending on services or goods at our properties for personal use. In accordance with SEC rules, the value of these benefits is measured on the basis of the estimated aggregate incremental cost to the Company for providing these benefits, and perquisites and personal benefits are not reported for any NEO for whom such amounts were less than \$10,000 in the aggregate for the fiscal year. In fiscal 2014, the Company also provided to each NEO benefits relating to the use of one or more of our private clubs, for which the Company incurred no incremental costs. NEOs are responsible for the payment of their individual, non-business related expenditures incurred at such clubs, although these expenses would qualify for reimbursement under the Perquisite Fund Program if within the NEO's allowance under that program.

(6) Mr. Katz's MIP award is paid 50% in cash and 50% in RSUs that vest annually over a three year period. The amount shown in the "Stock Awards" column includes \$262,988, \$255,249 and \$155,920, which represent the aggregate grant date fair value of RSUs, based on the 3,149, 3,802, and 2,965 RSUs granted on September 23, 2014, September 26, 2013 and September 21, 2012, respectively, for 50% payment of Mr. Katz's total MIP award. The amounts reported in the "Non-Equity Incentive Plan Compensation" column for fiscal 2014, 2013 and 2012 reflect only the cash amount paid to Mr. Katz for 50% of Mr. Katz's total MIP award for such fiscal year.

Table of Contents

**GRANTS OF PLAN-BASED AWARDS IN FISCAL 2014**

The following table shows certain information regarding grants of plan-based awards to the named executive officers during fiscal 2014:

<u>Name</u>	<u>Grant Date</u>	<u>Estimated Possible Payouts Under Non-Equity Incentive Plan Awards<sup>(1)</sup></u>			<u>All Other Stock Awards: Number of Shares of Stock or Units(#)<sup>(5)</sup></u>	<u>All Other Option/SAR Awards: Number of Securities Underlying Options/SARs (#)<sup>(6)</sup></u>	<u>Exercise or Base Price of Option/SAR Awards (\$/Sh)</u>	<u>Grant Date Fair Value of Stock and Option Awards (\$)<sup>(7)</sup></u>
		<u>Threshold (\$)<sup>(2)</sup></u>	<u>Target (\$)<sup>(3)</sup></u>	<u>Maximum (\$)<sup>(4)</sup></u>				
Robert A. Katz		31,279	823,125	1,584,516				
	09/26/13				3,802		n/a	262,988
	09/26/13					81,340	68.98	1,992,016
Michael Z. Barkin	09/26/13	4,432	166,634	417,000				
	09/26/13				1,542		n/a	103,552
	09/26/13					14,156	68.98	346,673
Blaise T. Carrig		6,641	249,647	624,742				
	09/26/13				2,619		n/a	175,853
	09/26/13				7,561 <sup>(8)</sup>		n/a	500,000
Kirsten A. Lynch	09/26/13	4,499	169,126	423,238				
	09/26/13				1,500		n/a	100,719
	09/26/13					14,166	68.98	346,920
Randall E. Mehrberg		3,015	113,333	283,617				
	12/02/13				1,191		n/a	86,293
	12/02/13				9,800 <sup>(8)</sup>		n/a	700,000
	12/02/13					10,955	74.28	288,894

- (1) The estimated possible payouts are based on the parameters applicable to each NEO at the time the Compensation Committee established the relevant performance goals in writing at the beginning of fiscal 2014, as more fully described in the CD&A section of this proxy statement. The actual earned and subsequently paid amounts are reported in the Summary Compensation Table under the "Non-Equity Incentive Plan Compensation" column.
- (2) The Threshold amount is based on the MIP's minimum target funding level based upon the minimum achievement of VRDC Performance Goals and no achievement of Resort EBITDA targets for fiscal 2014, with the resulting funding applied to the NEO's target percentage of base salary and then paid out at the 70% threshold level for individual performance (other than for Mr. Katz, whose MIP award is tied entirely to corporate performance and payout is 50% cash and 50% RSUs that vest over three years).
- (3) The Target amount is based on the MIP's target funding level of 100% upon achievement by the Company of 100% of certain Resort EBITDA targets and VRDC Performance Goals for fiscal 2014, with the resulting funding applied to the NEO's target percentage of base salary and then paid out at the 100% target level for individual performance (other than for Mr. Katz, whose MIP award is tied entirely to corporate performance and payout is 50% cash and 50% RSUs that vest over three years).
- (4) The Maximum amount is based on the MIP's maximum funding level of 200% upon achievement by the Company of at least 120% of certain Resort EBITDA targets and maximum achievement of the VRDC Performance Goals for fiscal 2014, with the resulting funding applied to the NEO's target percentage of base salary and then paid out at the 130% maximum level for individual performance (other than for Mr. Katz, whose MIP award is tied entirely to corporate performance and payout is 50% cash and 50% RSUs that vest over three years).
- (5) Represents RSUs that, except as set forth in footnote 8 below, vest in three equal annual installments beginning on the first anniversary of the date of grant. The grants were made pursuant to the 2002 Plan.



Table of Contents

- (6) Represents SARs that vest in three equal annual installments beginning on the first anniversary of the date of grant. The exercise price of each SAR is equal to the closing price of our common stock on the date of grant, except in the case of 50% of the SARs granted to Mr. Katz on September 26, 2013, for which the exercise price was 125% of the closing price of our common stock on the date of grant. Upon the exercise of a SAR, the actual number of shares the Company will issue to the NEO is equal the quotient of (i) the product of (x) the excess of the per share fair market value of our common stock on the date of exercise over the exercise price, multiplied by (y) the number of SARs exercised, divided by (ii) the per share fair market value of our common stock on the date of exercise, less any shares withheld to cover payment of applicable tax withholding obligations. The grants were made pursuant to the 2002 Plan.
- (7) The amounts shown represent the aggregate fair value of the award calculated as of the grant date in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in note 16 to our audited financial statements for fiscal 2014, which are included in our Annual Report on Form 10-K for fiscal 2014 filed with the SEC on September 24, 2014.
- (8) These awards cliff vest in full on the third anniversary of the date of grant.

**EMPLOYMENT AGREEMENTS**

The Company has entered into employment agreements with Messrs. Katz and Carrig, both of which were approved by the Compensation Committee. The Company's other NEOs do not have employment agreements with the Company.

*Robert A. Katz, Chairman and Chief Executive Officer*

The Company entered into an employment agreement with Mr. Katz on October 15, 2008, as amended on September 30, 2011 and April 11, 2013. The agreement had an initial term through October 15, 2011, and provides for automatic renewal for successive one year periods if neither party provides written notice of non-renewal to the other not less than 60 days prior to the then-current scheduled expiration date. Under the employment agreement, the initial base salary was set at \$843,500, subject to annual adjustments by the Compensation Committee, though in no case may the base salary be reduced at any time below the then-current level. As part of the Company-wide wage reduction plan effective April 2, 2009, Mr. Katz waived this requirement and did not take any salary for a twelve month period. Effective April 1, 2010, Mr. Katz's salary was reinstated at 85% of his prior pre-wage reduction salary. Pursuant to the employment agreement, Mr. Katz also participates in the Company's MIP, as more fully described in the CD&A. Under the employment agreement, if the Company achieves specified performance targets for the year under the MIP, Mr. Katz's "target opportunity" will be no less than 100% of his base salary. The agreement provides that Mr. Katz's MIP award is to be paid 50% in cash and 50% in RSUs that vest annually over a three year period. Mr. Katz also receives other benefits and perquisites on the same terms as afforded to senior executives generally, including customary health, disability and insurance benefits, certain membership benefits at the Company's private clubs and participation in the Perquisite Fund Program.

The employment agreement also provides for certain payments in connection with the termination (including constructive termination) of Mr. Katz under certain circumstances, as more fully described under the heading "Potential Payments Upon Termination or Change in Control" below. The September 2011 amendment eliminated his rights to (i) receive cash severance benefits upon his voluntary resignation within six months following a change in control; and (ii) to be eligible to receive tax gross-up payments on severance and other benefits payable in connection with a change in control. The April 2013 amendment eliminated his rights to paid time off in connection with the Company's adoption of a flexible time off policy.

Mr. Katz's employment agreement contains standard provisions for non-competition and non-solicitation of the Company's managerial employees that become effective as of the date of Mr. Katz's termination of employment and that continue for two years thereafter. Mr. Katz is also subject to a permanent covenant to maintain confidentiality of the Company's confidential information.



Table of Contents

***Blaise T. Carrig, President Mountain Division***

Vail Holdings, Inc., a wholly-owned subsidiary of the Company, entered into an employment agreement with Blaise T. Carrig on October 15, 2008, as amended on April 11, 2013. The agreement had an initial term through October 15, 2011 and provides for automatic renewal for successive one year periods if neither party provides written notice of non-renewal to the other not less than 60 days prior to the then-current scheduled expiration date. Under the employment agreement, the initial base salary was set at \$365,000, subject to annual adjustments by the Compensation Committee, though in no case may the base salary be reduced at any time below the then-current level. As part of the Company-wide wage reduction plan effective April 2, 2009, Mr. Carrig waived this requirement and accepted a salary reduction of 10%. In addition, the employment agreement provides that Mr. Carrig's base salary would increase to \$385,000 effective August 1, 2009; however, consistent with the waiver noted above, this new salary took effect on such date at a 10% reduced level. Pursuant to the employment agreement, Mr. Carrig also participates in the Company's MIP, as more fully described in the CD&A. Under the employment agreement, if the Company achieves specified performance targets for the year under the MIP, Mr. Carrig's "target opportunity" will be no less than 50% of his base salary. Mr. Carrig also receives other benefits and perquisites on the same terms as afforded to senior executives generally, including customary health, disability and insurance benefits, certain membership benefits at the Company's private clubs and participation in the Perquisite Fund Program.

The employment agreement also provides for certain payments in connection with the termination (including constructive termination) of Mr. Carrig under certain circumstances, as more fully described under the heading "Potential Payments Upon Termination or Change in Control" below. The April 2013 amendment eliminated his rights to paid time off in connection with the Company's adoption of a flexible time off policy.

Mr. Carrig's employment agreement contains standard provisions for non-competition and non-solicitation of the Company's managerial employees that become effective as of the date of Mr. Carrig's termination of employment and that continue for one year thereafter. Mr. Carrig is also subject to a permanent covenant to maintain confidentiality of the Company's confidential information.

Table of Contents

**OUTSTANDING EQUITY AWARDS AT FISCAL 2014 YEAR-END**

The following table shows certain information regarding outstanding equity awards held by the named executive officers as of July 31, 2014:

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options/SARs Exercisable (#) <sup>(1)</sup>	Number of Securities Underlying Unexercised Options/SARs Unexercisable (#) <sup>(1)(2)</sup>	Option/SAR Exercise Price (\$) <sup>(3)</sup>	Option/SAR Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) <sup>(4)(5)</sup>	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(6)</sup>
Robert A. Katz	15,000 (options)		18.73	9/28/14		
	300,000 (SARs)		31.69	2/28/16		
	72,428 (SARs)		60.05	9/25/17		
	113,871 (SARs)		40.09	9/23/18		
	521,262 (SARs)		18.88	3/01/19		
	123,539 (SARs)		35.84	9/22/19		
	108,344 (SARs)		37.20	9/21/20		
	94,923 (SARs)	47,461 (SARs)	39.65	9/20/21		
	94,923 (SARs)	47,461 (SARs)	49.56	9/20/21		
	33,528 (SARs)	67,055 (SARs)	54.07	9/21/22		
	33,528 (SARs)	67,055 (SARs)	67.59	9/21/22		
		81,340 (SARs)	68.98	9/26/23		
		81,340 (SARs)	86.23	9/26/23		
					3,481	262,816
					1,976	149,188
					3,802	287,051
Michael Z. Barkin	971 (SARs)	486 (SARs)	50.11	7/30/22		
	2,631 (SARs)	5,260 (SARs)	54.07	9/21/22		
	1,217 (SARs)	2,434 (SARs)	60.67	4/08/23		
		14,156 (SARs)	68.98	9/26/23		
					571	43,111
					556	41,978
					244	18,422
					8,592	648,696
					1,542	116,421
Blaise T. Carrig	5,000 (options)		28.08	9/30/15		
	4,885 (SARs)		16.51	3/10/19		
	20,507 (SARs)		35.84	9/22/19		
	21,110 (SARs)		37.20	9/21/20		
	10,117 (SARs)	10,117 (SARs)	39.65	9/20/21		
	3,901 (SARs)	1,950 (SARs)	41.43	4/15/22		
	10,597 (SARs)	21,194 (SARs)	54.07	9/21/22		
		24,735 (SARs)	68.98	9/26/23		
					769	58,060
					199	15,025
					1,858	140,279
					2,619	197,735
					7,561	570,856
Kirsten A. Lynch	2,800 (SARs)		46.75	7/5/21		
	12,699 (SARs)	6,349 (SARs)	39.65	9/20/21		
	4,533(SARs)	9,066 (SARs)	54.07	9/21/22		
		14,166 (SARs)	68.98	9/26/23		
					643	48,547
					958	72,329
					7,717	582,634

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				1,500	113,250
Randall E. Mehrberg	10,955 (SARs)	74.28	12/2/23	1,191	89,921
				9,800	739,900

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(1)

Represents exercisable or unexercisable stock options and SARs that unless otherwise specifically noted in footnote 2 below, generally vest in three equal annual installments beginning on the first anniversary of the date of grant. Upon the exercise of a SAR, the actual number of shares the Company will issue to the NEO is equal the quotient of (i) the product of (x) the excess of the per share fair market value of our common stock on the date of exercise over the exercise price, multiplied by (y) the number of SARs exercised, divided by (ii) the per share fair market value of our common stock on the date of exercise, less any shares withheld to cover payment of applicable tax withholding obligations.

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Table of Contents

(2)

The grant dates and vesting dates of each unexercisable SAR award as of July 31, 2014 are as follows:

	<b>Number of Unexercisable SARs</b>	<b>Grant Date</b>	<b>Vesting Schedule of Original Total Grant</b>	<b>Vesting Date (date award is vested in full)</b>
Robert A. Katz	47,461	September 20, 2011	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 20, 2014
	47,461	September 20, 2011	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 20, 2014
	67,055	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	67,055	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	81,340	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
	81,340	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
Michael Z. Barkin	486	July 30, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	July 30, 2015
	5,260	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	2,434	April 8, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	April 8, 2016
	14,156	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
Blaise T. Carrig	10,117	September 20, 2011	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 20, 2014
	1,950	April 15, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	April 15, 2015
	21,194	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	24,735	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
Kirsten A. Lynch	6,349	September 20, 2011	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 20, 2014
	9,066	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	14,166	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
Randall E. Mehrberg	10,955	December 2, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	December 2, 2016

(3)

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The exercise price of each stock option and SAR is equal to the closing price of our common stock on the date of grant, except for the performance-based SARs granted to Mr. Katz with exercise prices of \$49.56, \$67.59 and \$86.23 which are equal to 125% of the closing price of our common stock on the date of grant.

(4)

Represents unvested RSUs that, unless otherwise specifically noted in footnote 5 below, generally vest in three equal annual installments beginning on the first anniversary of the date of grant.

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### Table of Contents

(5)

The grant dates and vesting dates of RSUs that have not vested as of July 31, 2014 are as follows:

	Number of Unvested RSUs	Grant Date	Vesting Schedule of Original Total Grant	Vesting Date (date award is vested in full)
Robert A. Katz	3,481	September 20, 2011	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 20, 2014
	1,976	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	3,802	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
Michael Z. Barkin	571	July 30, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	July 30, 2015
	556	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	244	April 8, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	April 8, 2016
	8,592	April 8, 2013	Cliff vest in full on the third anniversary of the date of grant.	April 8, 2016
	1,542	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
Blaise T. Carrig	769	September 20, 2011	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 20, 2014
	199	April 15, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	April 15, 2015
	1,858	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	2,619	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
	7,561	September 26, 2013	Cliff vest in full on the third anniversary of the date of grant.	September 26, 2016
Kirsten A. Lynch	643	September 20, 2011	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 20, 2014
	958	September 21, 2012	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 21, 2015
	7,717	September 21, 2012	Cliff vest in full on the third anniversary of the date of grant.	September 21, 2015
	1,500	September 26, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	September 26, 2016
Randall E. Mehrberg	1,191	December 2, 2013	Equal annual installments over a three-year period beginning on anniversary of the date of grant.	December 2, 2016
	9,800	December 2, 2013	Cliff vest in full on the third anniversary of the date of grant.	December 2, 2016

(6)

The fair market value of these unvested RSU awards was determined based on the last reported closing price of our common stock of \$75.50 per share on July 31, 2014, multiplied by the number of units.



Table of Contents**OPTION EXERCISES AND STOCK VESTED IN FISCAL 2014**

The following table shows for fiscal 2014 certain information regarding option exercises and stock vested during the last fiscal year with respect to the named executive officers:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise <sup>(1)</sup>	Value Realized on Exercise (\$) <sup>(2)</sup>	Number of Shares Acquired on Vesting <sup>(1)</sup>	Value Realized on Vesting (\$) <sup>(3)</sup>
Robert A. Katz	5,000	276,750	7,827	541,315
Michael Z. Barkin			971	71,291
Blaise T. Carrig	12,500	542,597	10,717	740,400
Kirsten A. Lynch			1,221	85,406
Randall E. Mehrberg				

- (1) Represents the aggregate number of shares acquired on vesting or exercise, as applicable. The amounts shown do not reflect amounts withheld by the Company to satisfy tax withholding requirements or to satisfy the exercise price.
- (2) The aggregate dollar value realized upon the exercise of options/SARs was computed by multiplying the difference between the closing price of the Company's common stock on the exercise date and the exercise price for the award by the number of awards exercised.
- (3) The aggregate dollar value realized on the vesting of RSUs was computed by multiplying the closing price of the Company's common stock on the vesting date by the number of shares vested.

**PENSION BENEFITS**

The Company does not provide pension benefits or a defined contribution plan to the named executive officers other than the Company's tax-qualified 401(k) plan.

**NONQUALIFIED DEFERRED COMPENSATION FOR FISCAL 2014**

The following table shows for fiscal 2014 certain information regarding nonqualified deferred compensation benefits for the named executive officers:

Name	Executive Contributions in Last FY(\$) <sup>(1)</sup>	Registrant Contributions in Last FY(\$)	Aggregate Earnings in Last FY(\$) <sup>(2)</sup>	Aggregate Withdrawals/Distributions(\$)	Aggregate Balance at Last FYE(\$)
Robert A. Katz					
Michael Z. Barkin					
Blaise T. Carrig	24,005		1,689		194,748
Kirsten A. Lynch					
Randall E. Mehrberg					

- (1)



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Represents amount deferred, which is reported as compensation to the named executive officer in the Summary Compensation Table.

(2)

None of the amounts set forth are reported in the Summary Compensation Table because above-market or preferential earnings are not available under the plan.

On September 15, 2000, Vail Associates, Inc., an indirect wholly-owned subsidiary of the Company, which we refer to in this section of the proxy statement as the Employer, adopted a Deferred Compensation Plan, which we refer to as the Grandfathered Plan, for the benefit of a select group of management or highly compensated employees, or participants. The Grandfathered Plan is not tax

Table of Contents

qualified. Section 409A of the Internal Revenue Code, enacted as part of the American Jobs Creation Act of 2004, sets forth specific tax requirements related to nonqualified deferred compensation plans, including the Grandfathered Plan. Rules under Section 409A were effective for nonqualified deferrals of compensation after December 31, 2004. As a result, after December 31, 2004, no new contributions were accepted into the Grandfathered Plan.

Effective January 1, 2005, the Employer began operating a new nonqualified deferred compensation plan designed to comply with Section 409A, which we refer to as the Plan. The Plan provides for two classes of participants. Class 1 participants may contribute to the Plan up to 95% of their base pay and up to 95% of any Employer-paid bonus. Class 2 participants may defer only an amount of base pay equal to any 401(k) compliance test refund. Effective January 1, 2007, all participants became eligible to defer up to 80% of their base salary (including an amount of base pay equal to any 401(k) compliance test refund) and 100% of any Employer-paid bonus. Members of the Board may contribute up to 100% of their director fees. All contributions made by participants are 100% vested. The Employer may, on an annual basis, elect to make matching and/or discretionary employer contributions, although to date, the Employer has not made any such contributions. Matching and discretionary contributions vest as determined by the Employer or the Plan's administrative committee, which we refer to in this section of the proxy statement as the Plan Committee. The Employer or the Plan Committee may accelerate the vesting on matching and/or discretionary Employer contributions at any time, and accelerated vesting will generally occur automatically upon a change in control as defined in Section 409A.

Under the Plan, all contributions for a Plan year are allocated among the following two types of accounts at the election of the Participant: Separation from Service accounts and Scheduled Distribution accounts. Separation from Service accounts are generally payable in a lump sum or installments six months following the termination of a Participant's employment. Scheduled Distribution accounts are generally payable as a lump sum at a designated date at least three years from the year of deferral. Participants have limited rights to delay distributions from either type of account, provided that the election to delay a distribution (i) is made at least twelve months prior to the date the distribution would otherwise have been made, and (ii) delays the distribution for at least five years. All accounts are payable immediately upon the Participant's disability or death. Participants generally have the right to receive an early distribution from their accounts only upon an unforeseeable emergency. Participants have the right to designate hypothetical investments for their accounts, and their accounts are credited with gains or losses in accordance with the Participants' selections.

All contributions are placed in a rabbi trust which restricts the Employer's use of and access to the contributions. However, all money in the rabbi trust remains subject to the Employer's general creditors in the event of bankruptcy. The trustee, Wells Fargo Bank, N.A., is entitled to invest the trust fund in accordance with guidelines established by the Employer. Currently, all assets are invested in a Trust-Owned Life Insurance policy. To the extent that the funds in the trust are insufficient to pay Plan benefits, the Employer is required to fund the difference.

The Plan Committee is charged with responsibility to select certain mutual funds, insurance company separate accounts, indexed rates or other methods, which we refer to as Measurement Funds, for purposes of crediting or debiting additional amounts to Participants' account balances. Participants may elect one or more of these Measurement Funds for purposes of crediting or debiting additional amounts to his or her account balance. As necessary, the Plan Committee may discontinue, substitute or add a Measurement Fund. Each such action will take effect as of the first day of the first calendar quarter that begins at least thirty (30) days after the day on which the Plan Committee gives Participants advance written notice of such change. Participants can change their Measurement Fund allocations daily. The Measurement Funds are valued daily at their net asset values.

Using the weighted average return methodology, the rate of return for the Plan, as a weighted portfolio, for the prior twelve-month period ended July 31, 2014 was 7.92%. The rate of return of the

Table of Contents

S&P 500 for that same period was 16.94%. For this purpose, the weighted portfolio is a weighted average percentage allocation based on the Plan sponsor's liability holdings for a given point in time, and the weighted average returns are calculated based on the weights assigned using the returns of the underlying funds. Actual account cash balances were not used in calculating this performance. In addition, account deposits, withdrawals, transfers, loans and death benefits, as well as the timing of any flows were not considered in this performance calculation. The Plan does not provide for the payment of interest based on above-market rates.

**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL**

The employment agreements with Messrs. Katz and Carrig and the Company's executive severance policy, which applies to Messrs. Barkin and Mehrberg and Ms. Lynch, require us to provide certain compensation in the event of a termination of employment or a change in control of the Company. Each of the employment agreements and the executive severance policy provide that the Company may terminate the executive at any time with or without cause. However, if the executive's employment is terminated without cause or terminated by the executive for good reason, then the executive shall be entitled to receive compensation in the amounts and under the circumstances described below. In addition, the forms of award agreements used with all of our employees provide for the full acceleration of vesting of outstanding stock options, SARs, restricted stock, and RSUs upon a change in control of the Company. In accordance with the employment agreements for Messrs. Katz and Carrig, if the executive breaches the post-employment non-competition or non-solicitation covenants to which he is subject under his employment agreement, then the executive must promptly reimburse the Company for any severance payments received from, or payable by, the Company.

The amounts shown in the tables below are estimates of the value of the payments and benefits each of our named executive officers would have been entitled to receive had a termination event and/or a change in control of the Company occurred, effective as of July 31, 2014. The actual compensation to be paid to a named executive officer can only be determined at the time such named executive officer's employment is terminated and may vary based on factors such as the timing during the year of any such event, the Company's stock price, and any changes to our benefit arrangements and policies.

***Robert A. Katz, Chairman and Chief Executive Officer***

Mr. Katz's employment agreement provides that upon (i) the giving of notice of non-renewal by the Company or termination by the Company without cause or (ii) termination by Mr. Katz for good reason, Mr. Katz is entitled to receive certain benefits so long as he has executed a release in connection with his termination, including: (a) two years of then-current base salary payable in a lump sum, (b) a prorated MIP award (provided that performance targets are met) for the portion of the Company's fiscal year through the effective date of the termination or non-renewal, payable in lump sum, (c) one year's COBRA premiums for continuation of health and dental coverage, payable in a lump sum, and (d) full vesting of any RSUs, SARs or other equity awards held by Mr. Katz. If, within twelve months of the consummation of a change in control, (i) the Company terminates Mr. Katz without cause or gives notice of non-renewal of his agreement or (ii) Mr. Katz terminates for good reason, Mr. Katz is entitled to receive, so long as he has executed a release in connection with his termination: (a) two years of then-current base salary payable in a lump sum, (b) a prorated MIP award (provided that performance targets are met) for the portion of the Company's fiscal year through the effective date of the termination or non-renewal, payable in lump sum, (c) an amount equal to the cash MIP award paid to Mr. Katz in the prior year, payable in lump sum, and (d) to the extent not already vested, full vesting of any RSUs, SARs or other equity awards held by Mr. Katz.

Table of Contents

The following table describes the estimated potential compensation to Mr. Katz upon termination or a change in control of the Company:

	Termination without Cause or Resignation for Good Reason		Termination following Change in Control <sup>(2)</sup>	
<b>Executive Benefits and Payments<sup>(1)</sup></b>				
Base Salary	\$	1,646,250	\$	1,646,250
SAR/RSU Acceleration		6,129,400	\$	6,129,400
MIP Award		823,125		1,078,374
Health Insurance		20,760		
<b>Total</b>	<b>\$</b>	<b>8,619,535</b>	<b>\$</b>	<b>6,129,400</b>
			<b>\$</b>	<b>2,724,624</b>

- (1) Assumes the following: (a) base salary equal to \$823,125 is in effect as of the assumed termination or change in control date of July 31, 2014; (b) executive's unvested RSUs and SARs at July 31, 2014 would be subject to accelerated vesting on that date (when the last reported closing price per share of our common stock was \$75.50); and (c) all Company targets under the MIP are met and executive's pro rata MIP award payable as of the termination date is the Target amount indicated under Non-Equity Incentive Plan Awards in the Grants of Plan-Based Awards Table above.
- (2) Benefits triggered upon termination without cause or resignation for good reason would apply in the same manner following a change in control when the new owners are bound by the terms of the employment agreement, except that equity awards would have already accelerated in full upon the change in control event.

***Michael Z. Barkin, Executive Vice President and Chief Financial Officer***

Pursuant to the Company's executive severance policy, Mr. Barkin is entitled to receive severance payments upon certain terminations of employment. In addition, Mr. Barkin is entitled to receive payments upon a termination occurring within a certain period of time following a change in control.

The following table describes the estimated potential compensation to Mr. Barkin upon termination or a change in control of the Company:

	Termination without Cause or Resignation for Good Reason		Termination following Change in Control <sup>(2)</sup>	
<b>Executive Benefits and Payments<sup>(1)</sup></b>				
Base Salary	\$	333,267	\$	333,267
SAR/RSU Acceleration			\$	1,122,082
MIP Award				106,479
Health Insurance				
<b>Total</b>	<b>\$</b>	<b>333,267</b>	<b>\$</b>	<b>1,122,082</b>
			<b>\$</b>	<b>439,746</b>

- (1) Assumes the following: (a) base salary equal to \$333,267 is in effect as of the assumed termination or change in control date of July 31, 2014; (b) executive's unvested SARs and RSUs at July 31, 2014 would be subject to accelerated vesting on that date (when the last reported closing price per share of our common stock was \$75.50); and (c) MIP award payable under the executive severance policy upon a termination following a change in control is equal to the most recent MIP award paid to the executive.
- (2) Benefits triggered upon termination without cause or resignation for good reason would apply in the same manner following a change in control pursuant to the Company's executive severance policy when the new owners are bound by the terms of the executive severance

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policy, except that equity awards would have already accelerated in full upon the change in control event.

### ***Blaise T. Carrig, President Mountain Division***

Mr. Carrig's employment agreement provides that upon (i) the giving of notice of non-renewal by Vail Holdings or termination by Vail Holdings without cause or (ii) termination by Mr. Carrig for good reason, Mr. Carrig is entitled to receive certain benefits so long as he has executed a release in connection with his termination, including: (a) one year of then-current base salary payable in a lump sum, (b) a prorated MIP award (provided that performance targets are met) for the portion of the Company's fiscal year through

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### Table of Contents

the effective date of the termination or non-renewal, payable in lump sum, and (c) one year's COBRA premiums for continuation of health and dental coverage, payable in a lump sum. If, within twelve months of the consummation of a change in control, (i) Vail Holdings terminates Mr. Carrig without cause or gives notice of non-renewal of his agreement or (ii) Mr. Carrig terminates for good reason, Mr. Carrig is entitled to receive, so long as he has executed a release in connection with his termination: (a) one year of then-current base salary payable in a lump sum, (b) a prorated MIP award (provided that performance targets are met) for the portion of the Company's fiscal year through the effective date of the termination or non-renewal, payable in lump sum, (c) an amount equal to the cash MIP award paid to Mr. Carrig in the prior year, payable in lump sum, and (d) to the extent not already vested, full vesting of any RSUs, SARs or other equity awards held by Mr. Carrig.

The following table describes the estimated potential compensation to Mr. Carrig upon termination or a change in control of the Company:

	Termination without Cause or Resignation for Good Reason	Change in Control	Termination following Change in Control <sup>(2)</sup>
<b>Executive Benefits and Payments<sup>(1)</sup></b>			
Base Salary	\$ 416,079		\$ 416,079
SAR/RSU Acceleration		\$ 2,026,544	
MIP Award	249,647		412,219
Health Insurance	22,116		
<b>Total</b>	<b>\$ 687,842</b>	<b>\$ 2,026,544</b>	<b>\$ 828,298</b>

- (1) Assumes the following: (a) base salary equal to \$416,079 is in effect as of the assumed termination or change in control date of July 31, 2014; (b) executive's unvested SARs and RSUs at July 31, 2014 would be subject to accelerated vesting on that date (when the last reported closing price per share of our common stock was \$75.50); and (c) all Company performance and individual targets under the MIP are met and executive's pro rata MIP award payable as of the termination date is the Target amount indicated under Non-Equity Incentive Plan Awards in the Grants of Plan-Based Awards Table above.
- (2) Benefits triggered upon termination without cause or resignation for good reason would apply in the same manner following a change in control when the new owners are bound by the terms of the employment agreement, except that equity awards would have already accelerated in full upon the change in control event.

### *Kirsten A. Lynch, Executive Vice President and Chief Marketing Officer*

Pursuant to the Company's executive severance policy, Ms. Lynch is entitled to receive severance payments upon certain terminations of employment. In addition, Ms. Lynch is entitled to receive payments upon a termination occurring within a certain period of time following a change in control.

The following table describes the estimated potential compensation to Ms. Lynch upon termination or a change in control of the Company:

	Termination without Cause or Resignation for Good Reason	Change in Control	Termination following Change in Control <sup>(2)</sup>
<b>Executive Benefits and Payments<sup>(1)</sup></b>			
Base Salary	\$ 338,252		\$ 338,252
SAR/RSU Acceleration		\$ 1,331,017	
MIP Award			108,072
Health Insurance			
<b>Total</b>	<b>\$ 338,252</b>	<b>\$ 1,331,017</b>	<b>\$ 446,324</b>

- (1)

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Assumes the following: (a) base salary equal to \$338,252 is in effect as of the assumed termination or change in control date of July 31, 2014; (b) executive's unvested SARs and RSUs at July 31, 2014 would be subject to accelerated vesting on that date (when the last reported closing price per share of our common stock was \$75.50); and (c) MIP award payable under the executive severance policy upon a termination following a change in control is equal to the most recent MIP award paid to the executive.

(2)

Benefits triggered upon termination without cause or resignation for good reason would apply in the same manner following a change in control pursuant to the Company's executive severance policy when the new owners are bound by the terms of the executive severance policy, except that equity awards would have already accelerated in full upon the change in control event.

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### Table of Contents

#### *Randall E. Mehrberg, Executive Vice President, General Counsel and Secretary*

Pursuant to the Company's executive severance policy, Mr. Mehrberg is entitled to receive severance payments upon certain terminations of employment. In addition, Mr. Mehrberg is entitled to receive payments upon a termination occurring within a certain period of time following a change in control.

The following table describes the estimated potential compensation to Mr. Mehrberg upon termination or a change in control of the Company:

Executive Benefits and Payments <sup>(1)</sup>	Termination without Cause or Resignation for Good Reason	Change in Control	Termination following Change in Control <sup>(2)</sup>
Base Salary	\$ 340,000		\$ 340,000
SAR/RSU Acceleration		\$ 843,186	
MIP Award			72,420
Health Insurance			
<b>Total</b>	<b>\$ 340,000</b>	<b>\$ 843,186</b>	<b>\$ 412,420</b>

- (1) Assumes the following: (a) base salary equal to \$340,000 is in effect as of the assumed termination or change in control date of July 31, 2014; (b) executive's unvested SARs and RSUs at July 31, 2014 would be subject to accelerated vesting on that date (when the last reported closing price per share of our common stock was \$75.50); and (c) MIP award payable under the executive severance policy upon a termination following a change in control is equal to the most recent MIP award paid to the executive.
- (2) Benefits triggered upon termination without cause or resignation for good reason would apply in the same manner following a change in control pursuant to the Company's executive severance policy when the new owners are bound by the terms of the executive severance policy, except that equity awards would have already accelerated in full upon the change in control event.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the Company's equity compensation plans as of July 31, 2014:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)(2)</sup>  (in thousands)	(b) Weighted average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))  (in thousands)
Equity compensation plans approved by security holders	3,030	\$ 42.06	2,216
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>3,030</b>	<b>\$ 42.06</b>	<b>2,216</b>



- (1) Includes 274,000 RSUs that are not included in the calculation of the Weighted-Average Exercise Price in column (b).
- (2) Includes the gross number of shares underlying outstanding SARs. Upon the exercise of a SAR, the actual number of shares we will issue to the participant is equal the quotient of (i) the product of (x) the excess of the per share fair market value of our common stock on the date of exercise over the exercise price, multiplied by (y) the number of SARs exercised, divided by (ii) the per share fair market value of our common stock on the date of exercise, less any shares withheld to cover payment of applicable tax withholding obligations.

Table of Contents

**PROPOSAL 2. ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

We are asking stockholders to approve an advisory resolution, commonly referred to as a "say-on-pay" resolution, approving our executive compensation as reported in this proxy statement. As described in the CD&A of this proxy statement, our executive compensation program is designed to incentivize achievement of short- and long-term Company and individual performance. We believe this compensation approach aligns the interests of our executive officers with those of our stockholders.

The Compensation Committee has structured our executive compensation program to achieve the following key objectives:

*Emphasizing Pay-for-Performance.* Emphasize pay-for-performance by tying annual and long-term compensation incentives to achievement of specified performance objectives or overall stock performance.

*Attracting, Retaining and Motivating.* Attract, retain and motivate talented executives who will determine our long-term success through a program competitive with compensation paid by companies in the same market for executive talent.

*Rewarding Contributions and Creating Long-Term Value.* Recognize and reward contributions of all employees, including executive officers, in achieving strategic goals and business objectives, while aligning the program with stockholder interests.

We encourage stockholders to read the CD&A, which describes in more detail how our executive compensation program operates and is designed to achieve our compensation objectives, including through the use of annual incentive awards, long-term equity awards, a high percentage of compensation that is variable or "at-risk" and performance-based stock awards for our CEO. The Compensation Committee and the Board believe that the policies and procedures articulated in the CD&A are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement has supported and contributed to the Company's recent and long-term success and is aligned with the interests of our stockholders.

At the 2013 annual meeting, we submitted a "say-on-pay" resolution to our stockholders. Our stockholders approved this proposal with approximately 99.7% of the votes cast on the proposal voting in favor of the resolution. Because our Board views the annual advisory vote as a good corporate governance practice, and because at our 2011 annual meeting approximately 91.7% of the votes cast on the frequency proposal were in favor of an annual advisory vote, we are again asking stockholders to approve the compensation of our NEOs as disclosed in this proxy statement.

Accordingly, the Board unanimously recommends that stockholders approve the following advisory resolution at the annual meeting:

"RESOLVED, that the compensation paid to the named executive officers of Vail Resorts, Inc., as disclosed pursuant to the rules of the Securities and Exchange Commission, including the CD&A, compensation tables and related narrative discussion, is hereby APPROVED."

Although this vote is advisory and is not binding on the Company, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions.

**THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE APPROVAL OF EXECUTIVE COMPENSATION.**

Table of Contents

**PROPOSAL 3. RE-APPROVAL OF THE MATERIAL TERMS FOR PAYMENT OF PERFORMANCE-BASED INCENTIVE COMPENSATION FOR PURPOSES OF COMPLYING WITH SECTION 162(M) OF THE INTERNAL REVENUE CODE OF 1986**

We are asking our stockholders to consider and vote upon a proposal to approve the material terms for payment of performance-based incentive compensation to certain of the Company's most highly compensated executive officers under our incentive compensation plans, including our Amended and Restated 2002 Long-Term Incentive and Share Award Plan (the "2002 Plan") and our Management Incentive Plan (the "MIP"). The material terms under which the performance-based compensation will be paid under our incentive compensation plans were last approved on December 5, 2008. Stockholders originally approved the 2002 Plan on December 9, 2002, approved the amended and restated version of the 2002 Plan on January 4, 2007 and approved an amendment to the amended and restated 2002 Plan on December 4, 2009. We are not amending or altering any of our incentive compensation plans.

The sole purpose of asking stockholders to re-approve the material terms for payment of performance-based compensation pursuant to this proposal is to enable the Company to continue to grant incentive compensation awards that are structured in a manner intended to qualify as tax-deductible, performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended ("*Section 162(m)*"). In addition, the purpose of this incentive compensation is to promote the interests of the Company and its stockholders by rewarding Company executives with bonus and incentive compensation based upon the level of achievement of financial, business and other performance objectives established in accordance with these material terms.

**BACKGROUND**

Section 162(m) generally provides that no federal income tax business expense deduction is allowed for annual compensation in excess of \$1 million paid by a publicly-traded corporation to certain of its officers (the "*covered employees*"). For purposes of Section 162(m), a covered employee means any person who, as of the last day of the Company's taxable year, is the chief executive officer or one of the Company's three highest compensated executive officers (other than the chief executive officer and chief financial officer), as determined under SEC rules. Under Section 162(m), however, there is no limitation on the deductibility of compensation that constitutes "qualified performance-based compensation." Qualified performance-based compensation by the Company must be paid solely on account of the attainment of one or more objective performance goals established in writing by the Compensation Committee of the Board of Directors while the attainment of such goals is substantially uncertain.

For compensation to constitute qualified performance-based compensation under Section 162(m), in addition to certain other requirements, stockholders generally must approve the material terms under which the performance-based compensation will be paid every five years. Therefore, we are asking stockholders to re-approve the material terms under which the performance-based compensation will be paid under our incentive compensation plans, including the 2002 Plan and the MIP. For purposes of Section 162(m), the material terms of performance-based compensation include (i) the employees eligible to receive such compensation, (ii) a description of the business criteria upon which the performance goals are based and (iii) the maximum amount of compensation that can be paid to an employee as performance-based compensation during a specified time period. Each of these aspects of the Company's performance-based incentive compensation is discussed below.

Nothing in the Company's incentive compensation plans or this proxy statement is intended to guarantee that the Company will always seek to ensure that its compensation qualifies as performance-

Table of Contents

based compensation, and no guarantee can be given that the terms of the Company's incentive compensation plans or the compensation paid thereunder, will in fact comply with the requirements for performance-based compensation, as they exist today or as they may change from time to time. The Company has, and will continue to have, the authority to provide compensation that is not exempt from the limits on deductibility under Section 162(m).

**DETERMINATION OF AWARDS**

Payment of performance-based compensation to a covered employee will be contingent upon the attainment by the Company of one or more objective performance goals (which may be stated as alternative goals) established in writing by the Compensation Committee for each performance period, which is generally the Company's fiscal year or may be a period consisting of less than or more than one fiscal year, at a time in which the attainment of such goals is substantially uncertain. A performance goal must be established in writing by the Compensation Committee within the first 90 days after the commencement of the performance period, but in no event after 25% of the performance period has elapsed. Performance goals may be based on one or more business criteria that apply to an individual, a business unit or the Company as a whole, but need not be based on an increase or positive result under the business criteria selected, and may be measured on an absolute basis or on a relative basis and on a GAAP or non-GAAP basis. Performance goals established by the Compensation Committee in connection with the payment of performance-based compensation to a covered employee under the Company's incentive compensation plans will be based upon one or more of the following business criteria, and in any relative proportion to the extent multiple goals are used in combination:

Reported EBITDA (as defined below) results for our mountain segment;

Reported EBITDA results for our lodging segment;

Reported EBITDA results on a resort basis (which is a combination of our Reported mountain segment EBITDA and Reported lodging segment EBITDA);

Reported EBITDA results for our real estate segment;

Reported EBITDA results excluding stock-based compensation expense for any of our mountain, lodging or real estate segments, and/or on a resort basis;

real estate segment goals, including pre-sales targets, sales, closing timing and profitability targets, and construction related approvals and timing milestones;

revenue;

net income;

net income excluding stock-based compensation;

pretax earnings;

earnings before interest expense, taxes, depreciation and amortization;

operating margin;

earnings per share;

return on equity;

return on capital;

return on investment;

operating earnings;

working capital;

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ratio of debt to stockholders' equity;

Net Debt (as defined below);

ratio of Net Debt to Reported EBITDA; and/or

total stockholder return.

Reported EBITDA is calculated as segment net revenue less segment operating expense plus or minus segment equity investment income or loss, and for the real estate segment, plus gain on sale of real

Table of Contents

property. Net Debt is defined as long-term debt plus long-term debt due within one year less cash and cash equivalents.

For executive bonuses, once the maximum amount of eligible annual incentive compensation is determined based upon the attainment of these performance goals, individual awards are determined based upon the executive's level of attainment of his or her individual performance goals. An executive will not be eligible to receive an annual incentive bonus unless the objective performance goals are attained. The Compensation Committee may decrease, but may not increase, the amount of an executive's annual incentive bonus based upon the executive's level of attainment of his or her individual performance goals. The specific target percentage for each executive's annual incentive bonus compensation is set as a percentage of base salary based on the executive's position within the Company.

Payment of equity incentive compensation other than stock options and SARs to a covered employee intended to satisfy the requirements for qualified performance-based compensation under Section 162(m) will be contingent upon the attainment of one or more of the performance goals listed above.

The Compensation Committee is prohibited from increasing the amount of compensation payable to a covered employee based upon the attainment of the applicable performance goals, but may reduce or eliminate compensation even if such performance goals are attained.

#### **PAYMENT OF INCENTIVE AWARDS**

Individual bonus amounts will be paid in cash or equity, or a combination thereof, at the discretion of the Compensation Committee. Payment of any performance-based equity awards may be paid in the form of shares of common stock of the Company, restricted stock, restricted stock units, other stock-based awards or any combination thereof.

#### **ELIGIBLE EMPLOYEES**

Officers and other employees and consultants of the Company and its subsidiaries and affiliates and directors of the Company are eligible to be granted awards under the 2002 Plan. All full-time employees of the Company at grade levels 33 and above (generally, our executive officer group) are eligible to participate in the MIP. The Compensation Committee anticipates that a comparable number of individuals will be selected for awards in the future.

#### **MAXIMUM AWARD**

The maximum incentive bonus award that may be paid to any covered employee in any one fiscal year based upon attainment of one or more of the foregoing performance goals is \$4.0 million. The maximum equity incentive award that may be paid to any covered employee in any one calendar year based on attainment of one or more of the foregoing performance goals is 200,000 shares. The Compensation Committee is prohibited from increasing these amounts, but may reduce or eliminate compensation even if performance goals are attained.

#### **NEW PLAN BENEFITS**

The Company expects that payment of incentive compensation for fiscal 2015 to one or more covered employees will be subject to attainment of one or more of the performance goals described above. The incentive compensation that will be payable in the future based upon such performance goals, if any, cannot be determined, because the payment of such compensation will be contingent upon attainment of the pre-established performance goals, the maximum amount of such compensation will depend upon the Company's performance for the applicable performance period, and the actual incentive compensation to a covered employee, if any, may reflect exercise of the Compensation Committee's discretion to reduce the incentive compensation otherwise payable upon attainment of the performance goal. For more detail on the grants of incentive compensation made to our named executive officers in fiscal 2014, see the table above titled "Grants of Plan-Based Awards in Fiscal 2014."

Table of Contents

**BOARD RECOMMENDATION**

The Board of Directors believes it is in the best interests of the Company and its stockholders to enable the Company to implement incentive compensation arrangements that are intended to qualify as tax-deductible, performance-based compensation under Section 162(m). The Board of Directors is therefore recommending that stockholders approve, for Section 162(m) purposes, the material terms for the payment of performance-based incentive compensation by the Company, as set forth above. However, stockholder approval of the material terms is only one of several requirements under Section 162(m) that must be satisfied for incentive compensation to qualify for the "performance-based" compensation exemption. The rules and regulations promulgated under Section 162(m) are complicated and may change from time to time, sometimes with retroactive effect. As such, there can be no guarantee that any incentive compensation award intended to qualify as performance-based compensation within the meaning of Section 162(m) will so qualify. In addition, nothing in this proposal prevents the Company or the Compensation Committee from making any payment or granting awards that do not (and are not intended to) qualify for tax deductibility under Section 162(m).

**THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE RE-APPROVAL OF THE MATERIAL TERMS FOR PAYMENT OF PERFORMANCE-BASED INCENTIVE COMPENSATION FOR SECTION 162(m) PURPOSES.**

**PROPOSAL 4. RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has selected, and the Board of Directors has ratified the selection of, PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for fiscal 2015, and has further directed that management submit the selection of independent auditors for ratification by the stockholders at the annual meeting. PricewaterhouseCoopers LLP has been the Company's independent registered public accounting firm since 2002. PricewaterhouseCoopers LLP expects to have a representative at the annual meeting who will have the opportunity to make a statement and who will be available to answer appropriate questions.

Neither the Company's Bylaws nor other governing documents or law require stockholder ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm. However, the Audit Committee is submitting the selection of PricewaterhouseCoopers LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain PricewaterhouseCoopers LLP. It is understood that even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a new independent accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interests of the Company and its stockholders.

**FEES BILLED TO VAIL RESORTS BY PRICEWATERHOUSECOOPERS LLP DURING FISCAL 2014 AND FISCAL 2013**

**Audit Fees.** Audit fees (including expenses) billed (or billable) to the Company by PricewaterhouseCoopers LLP for the audit of our annual financial statements included in our Form 10-K and the review of the financial statements included in our Forms 10-Q with respect to fiscal 2014 and fiscal 2013 were \$1,831,788 and \$1,900,020, respectively. For both fiscal years, such fees included fees for PricewaterhouseCoopers LLP's examination of the effectiveness of the Company's internal control over financial reporting.

Table of Contents

**Audit-Related Fees.** There were no audit related fees billed by PricewaterhouseCoopers LLP with respect to fiscal 2014 and fiscal 2013.

**Tax Fees.** There were no tax fees billed by PricewaterhouseCoopers LLP with respect to fiscal 2014 and fiscal 2013.

**All Other Fees.** All other fees (including expenses) billed by PricewaterhouseCoopers LLP with respect to fiscal 2014 and fiscal 2013 were \$3,704 for each year. Such fees were for access to a research database.

The Audit Committee determined that the provision of services other than audit services by PricewaterhouseCoopers LLP was compatible with maintaining PricewaterhouseCoopers LLP's independence.

The Audit Committee has the sole authority to approve all audit engagement fees and terms and pre-approve all audit and permissible non-audit services provided by the Company's independent registered public accounting firm. The Audit Committee has delegated authority to the Chairman of the Audit Committee to pre-approve services between Audit Committee meetings, which must be reported to the full Audit Committee at its next meeting. Fees for permissible non-audit services that are not pre-approved must be less than 5% of total fees paid. For fiscal 2014 and fiscal 2013, all of the fees included under the heading "All Other Fees" above were pre-approved by the Audit Committee.

**THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JULY 31, 2015.**

## THE ANNUAL MEETING AND VOTING QUESTIONS AND ANSWERS

### What is the difference between a stockholder of record and a "street name" holder?

If your shares are registered directly in your name with the Company's transfer agent, Wells Fargo Shareowner Services, then you are a stockholder of record.

If your shares are not held in your name, but rather are held through an intermediary, such as in an account at a brokerage firm or by a bank, trustee or other nominee, then you are the beneficial owner of shares held in "street name." However, as a beneficial owner, you have the right to direct your broker or other nominee regarding how to vote the shares held in your account.

### Who is entitled to vote at or attend the annual meeting?

Holders of record of our common stock as of the close of business on October 14, 2014, which we refer to as the record date, are entitled to vote. On the record date, we had 36,312,774 shares of common stock outstanding. Each share is entitled to one vote on each item being voted on at the annual meeting. You are entitled to attend the annual meeting only if you were a stockholder or joint holder as of the record date or you hold a valid proxy for the annual meeting.

#### *If you are a stockholder of record:*

As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the annual meeting, we urge you to vote by proxy in advance of the annual meeting over the telephone or on the Internet as instructed in the Notice of Internet Availability of Proxy Materials to ensure your vote is counted.



Table of Contents

***If you are a street name holder:***

As a street name holder, you may not vote your shares in person at the annual meeting unless you request and obtain a valid proxy from your broker or other nominee and bring such proxy to the annual meeting. If you want to attend the annual meeting, but not vote at the annual meeting, you must provide proof of beneficial ownership as of the record date, such as your most recent account statement prior to October 14, 2014, a copy of the voting instruction card provided by your broker or other nominee, or other similar evidence of ownership. Whether or not you plan to attend the annual meeting, we urge you to vote by proxy in advance of the annual meeting over the telephone or on the Internet as instructed in the Notice of Internet Availability of Proxy Materials to ensure your vote is counted.

**How do I vote my shares?**

***If you are a stockholder of record:***

*By Telephone or the Internet*

Stockholders of record can vote their shares via telephone or the Internet as instructed in the Notice of Internet Availability of Proxy Materials. The telephone and Internet procedures are designed to authenticate a stockholder's identity, to allow stockholders to vote their shares and confirm that their instructions have been properly recorded.

The telephone and Internet voting facilities will close at 11:59 p.m., Eastern Standard Time, on December 4, 2014.

*By Mail*

Stockholders who elect to vote by mail should request a paper proxy card by telephone or Internet and should complete, sign and date their proxy cards and mail them in the pre-addressed envelopes that accompany the delivery of paper proxy cards. Proxy cards submitted by mail must be received by the time of the meeting in order for your shares to be voted.

*At the Meeting*

Shares held in your name as the stockholder of record may be voted by you in person at the annual meeting.

***If you are a street name holder:***

*By Telephone or the Internet*

If your broker or other nominee provides for a means to submit your voting instructions by telephone or the Internet, you will be provided with directions on doing so by your broker or other nominee.

*By Mail*

Street name holders may vote by mail by requesting a paper voting instruction card according to the instructions contained in the materials received from your broker or other nominee.

*At the Annual Meeting*

Shares held in street name may be voted by you in person at the annual meeting only if you obtain a valid proxy from the broker or other nominee that holds your shares giving you the right to vote the shares and bring such proxy to the annual meeting.

Table of Contents

**Can I change my vote?**

If you are a stockholder of record, you may change your vote at any time prior to the vote at the annual meeting by:

providing timely delivery of a later-dated proxy (including by telephone or Internet vote);

providing timely written notice of revocation to our Secretary at 390 Interlocken Crescent, Broomfield, Colorado 80021; or

attending the annual meeting and voting in person.

To be timely, later dated proxy cards and written notices if revocation is submitted by mail, must be received by the time of the annual meeting. In order to change your vote by telephone or Internet, you must do so before the telephone and Internet voting facilities close at 11:59 p.m., Eastern Standard Time, on December 4, 2014.

If you are a street name holder, you may change your vote by timely submitting new voting instructions to your broker or other nominee following the instructions they provided, or, if you have obtained a valid proxy from your broker or other nominee giving you the right to vote your shares, by attending the meeting and voting in person.

**How many shares must be present or represented to conduct business at the annual meeting?**

The quorum requirement for holding the annual meeting and transacting business is that holders of a majority of the issued and outstanding common stock that is entitled to vote must be present in person or represented by proxy. Both abstentions and broker non-votes described below are counted for the purpose of determining the presence of a quorum. If there is no quorum, the holders of a majority of shares present at the meeting in person or represented by proxy may adjourn the annual meeting to another date.

**How are abstentions treated?**

Abstentions are counted for purposes of determining whether a quorum is present. For purposes of determining whether the stockholders have approved a matter, abstentions are not treated as votes cast affirmatively or negatively, and therefore do not have any effect on the outcome of a matter to be voted on at the annual meeting that requires an affirmative vote of a majority of the votes cast by holders of our common stock present in person or by proxy at the annual meeting. A "majority of votes cast" means the number of "FOR" votes exceeds the number of "AGAINST" votes.

**What are the voting requirements?**

*Proposal 1 Election of Directors*

In the election of directors named in this proxy statement, you may vote "FOR" one or more of the nominees or your vote may be "AGAINST" one or more of the nominees. Alternatively, you may vote "ABSTAIN" with respect to one or more nominees. You may not cumulate your votes for the election of directors. To be elected, each director nominee requires a majority of the votes cast for his or her election, which means that each director nominee must receive more votes cast "FOR" than "AGAINST" that director nominee. Abstentions are not treated as voting on this proposal. If stockholders do not elect a nominee who is already serving as a director, Delaware law provides that the director would continue to serve on the Board as a "holdover director," rather than causing a vacancy, until a successor is duly elected or until the director resigns. Under our Corporate Governance Guidelines and as permitted by our Bylaws, each director has submitted an advance, contingent resignation that the Board may accept if stockholders do not elect the director. In that situation, our Nominating & Governance Committee would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. The Board will promptly publicly disclose its decision regarding the director's resignation.

Table of Contents

***Proposal 2 Advisory Vote to Approve Executive Compensation***

In the advisory vote to approve executive compensation, you may vote "FOR," "AGAINST" or "ABSTAIN." This proposal requires the affirmative vote of a majority of those shares present in person or represented by proxy, entitled to vote, and actually voting on the proposal at the annual meeting. Abstentions are not treated as voting on this proposal. The vote is advisory, and therefore not binding on the Company, the Compensation Committee or the Board. However, the Compensation Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation as it deems appropriate.

***Proposal 3 Re-approval of the Material Terms for Payment of Performance-Based Incentive Compensation for Section 162(m) Purposes***

In the proposal to re-approve the material terms for payment of performance-based incentive compensation for Section 162(m) purposes, you may vote "FOR," "AGAINST" or "ABSTAIN." This proposal requires the affirmative vote of a majority of those shares present in person or represented by proxy, entitled to vote, and actually voting on the proposal at the annual meeting. Abstentions are not treated as voting on this proposal.

***Proposal 4 Ratification of Selection of PricewaterhouseCoopers LLP***

In the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending July 31, 2015, you may vote "FOR," "AGAINST" or "ABSTAIN." This proposal requires the affirmative vote of a majority of those shares present in person or represented by proxy, entitled to vote, and actually voting on the proposal at the annual meeting. Abstentions are not treated as voting on this proposal.

**What are "broker non-votes"?**

If you hold shares in street name through a broker and do not provide your broker with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given by the beneficial owner. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are considered present for purpose of determining a quorum but are not considered entitled to vote or votes cast on that proposal. Thus, a broker non-vote will make a quorum more readily attainable, but, broker non-votes will not affect the outcome of any matter being voted on at the annual meeting, assuming that a quorum is obtained.

If your shares are held in street name and you do not instruct your broker on how to vote your shares, your brokerage firm, in its discretion, may either leave your shares unvoted or vote your shares on "routine" matters. The proposal to ratify the selection of our independent registered public accounting firm for the current fiscal year (Proposal 4) is considered a routine matter. Under the rules of the New York Stock Exchange, or the NYSE, the election of directors (Proposal 1), the advisory vote to approve executive compensation (Proposal 2) and the re-approval of the material terms for payment of performance-based incentive compensation for Section 162(m) purposes (Proposal 3) are not considered routine matters and, consequently, without your voting instructions, your broker cannot vote your uninstructed shares on these proposals.

**Who will serve as inspector of elections?**

The inspector of elections will be a representative from Broadridge Financial Solutions, Inc.

Table of Contents

**Who will bear the cost of soliciting votes for the annual meeting?**

We will bear the cost of soliciting proxies. In addition to the original solicitation of proxies, proxies may be solicited personally, by telephone or other means of communication, by our directors and employees. Directors and employees will not be paid any additional compensation for soliciting proxies.

We may reimburse brokers holding common stock in their names or in the names of their nominees for their expenses in sending proxy material to the beneficial owners of such common stock.

**What does it mean if I receive more than one Notice of Internet Availability of Proxy Materials?**

If you receive more than one Notice of Internet Availability of Proxy Materials, it means that you have multiple accounts at the transfer agent or with brokers or other nominees. Please vote all of your shares as described herein, or follow the instructions received from each broker or other nominee, to ensure that all of your shares are voted.

**What if I submit a proxy but do not make specific choices?**

If a proxy is voted by telephone or Internet, or is signed and returned by mail without choices specified, in the absence of contrary instructions, the shares of common stock represented by such proxy will be voted as recommended by the Board, and will be voted in the proxy holders' discretion as to other matters that may properly come before the annual meeting.

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

Preliminary voting results will be announced at the annual meeting. Final voting results will be reported in a Form 8-K, which will be filed with the SEC following the annual meeting.

**Annual Meeting Materials**

The Notice of Internet Availability of Proxy Materials, Notice of Annual Meeting, this proxy statement and the annual report of the Company for the fiscal year ended July 31, 2014 have been made available to all stockholders entitled to Notice of Internet Availability of Proxy Materials and entitled to vote at the annual meeting. The annual report is not incorporated into this proxy statement and is not considered proxy-soliciting material.

**STOCKHOLDER PROPOSALS FOR 2015 ANNUAL MEETING**

The deadline for stockholders to submit proposals pursuant to Rule 14a-8 of the Exchange Act for inclusion in the Company's proxy statement and proxy for the 2015 annual meeting of stockholders is June 25, 2015.

If you wish to nominate a director or submit a proposal for consideration at the Company's 2015 annual meeting of stockholders that is not to be included in next year's proxy materials, your proposal or nomination must be submitted in writing to the Secretary of the Company not later than September 6, 2015 nor earlier than August 7, 2015. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. Such notices must be in accordance with the procedures described in our Bylaws. You can obtain a copy of our Bylaws by writing the Secretary at the address shown on the cover of this proxy statement.

Table of Contents

## HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries, such as brokers, to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are Company stockholders may be "householding" our proxy materials to the extent such stockholders have given their prior express or implied consent in accordance with SEC rules. A single Notice of Internet Availability of Proxy Materials, proxy statement and annual report (if you requested one) will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate Notice of Internet Availability of Proxy Materials, proxy statement and annual report, please notify your broker to discontinue householding and direct your written request to receive a separate Notice of Internet Availability of Proxy Materials, proxy statement and annual report to the Company at: Vail Resorts, Inc., Attention: Investor Relations, 390 Interlocken Crescent, Broomfield, Colorado, 80021, or by calling (303) 404-1800. Stockholders who currently receive multiple copies of the Notice of Internet Availability of Proxy Materials, proxy statement and annual report at their address and would like to request householding of their communications should contact their broker.

## OTHER MATTERS

At the date of this proxy statement, the Board has no knowledge of any business other than that described herein which will be presented for consideration at the annual meeting. In the event any other business is presented at the annual meeting, the persons named in the enclosed proxy will vote such proxy thereon in accordance with their judgment in the best interests of the Company.

Randall E. Mehrberg  
*Executive Vice President,  
General Counsel and Secretary*

October 23, 2014

**A copy of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2014 is available without charge upon written request to: Secretary, Vail Resorts, Inc., 390 Interlocken Crescent, Broomfield, Colorado 80021.**













