

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____ to ____
Commission file number 001-38432



Wyndham Hotels & Resorts, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation or Organization)

22 Sylvan Way

Parsippany, New Jersey

(Address of Principal Executive Offices)

82-3356232

(I.R.S. Employer
Identification No.)

07054

(Zip Code)

(973) 753-6000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, Par Value \$0.01 per share

Trading Symbol(s)
WH

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of June 30, 2022, was \$ 5.88 billion. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of January 31, 2023, the registrant had outstanding 86,359,043 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement prepared for the 2023 Annual Meeting of Stockholders are incorporated by reference into Part III of this report.

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PART I

Forward-Looking Statements

This Annual Report on Form 10-K (this “Annual Report” or “report”) contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, statements related to our views and expectations regarding our strategy and the performance of our business, our financial results, our liquidity and capital resources and other non-historical statements. Forward-looking statements include those that convey management’s expectations as to the future based on plans, estimates and projections and may be identified by words such as “will,” “expect,” “believe,” “plan,” “anticipate,” “intend,” “goal,” “future,” “outlook,” “guidance,” “target,” “objective,” “estimate,” “projection” and similar words or expressions, including the negative version of such words and expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report.

Factors that could cause actual results to differ materially from those in the forward-looking statements include without limitation, general economic conditions, including inflation, higher interest rates and potential recessionary pressures; the worsening of the effects from the coronavirus pandemic (“COVID-19”), its scope, duration, resurgence and impact on our business operations, financial results, cash flows and liquidity, as well as the impact on our franchisees, guests and team members, the hospitality industry and overall demand for and restrictions on travel; our continued performance during the recovery from COVID-19, and any resurgence or mutations of the virus; concerns with or threats of other pandemics, contagious diseases or health epidemics, including the effects of COVID-19; the performance of the financial and credit markets; the economic environment for the hospitality industry; operating risks associated with the hotel franchising business; our relationships with franchisees; the impact of war, terrorist activity, political instability or political strife, including the ongoing conflict between Russia and Ukraine; the Company’s ability to satisfy obligations and agreements under its outstanding indebtedness, including the payment of principal and interest and compliance with the covenants thereunder; risks related to our ability to obtain financing and the terms of such financing, including access to liquidity and capital; and the Company’s ability to make or pay, plans for, and the timing and amount of any future share repurchases and/or dividends, as well as the risks described under Part I, Item 1A – Risk Factors.

Where You Can Find More Information

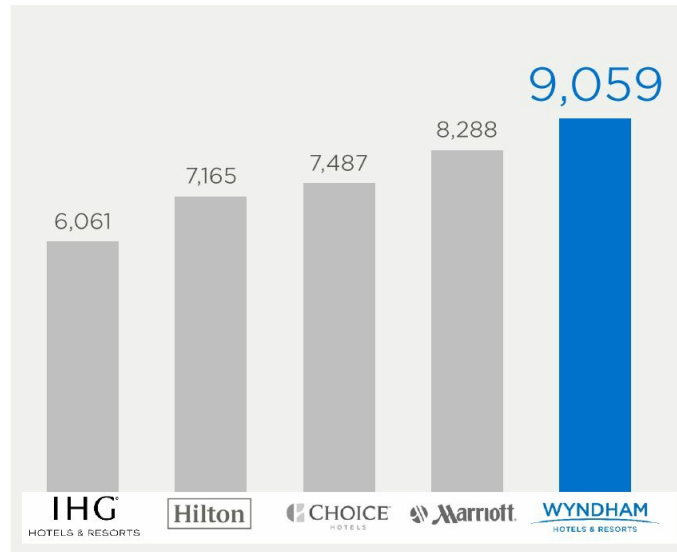
We file annual, quarterly and current reports, proxy statements, reports that are filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and other information with the Securities and Exchange Commission (“SEC”). Our SEC filings are available free of charge to the public over the Internet at the SEC’s website at <https://www.sec.gov>. Our SEC filings are also available on our website at <https://www.wyndhamhotels.com> as soon as reasonably practicable after they are filed with or furnished to the SEC. We maintain an internet site at <https://www.wyndhamhotels.com>. Our website and the information contained on or connected to that site are not incorporated into this Annual Report.

We may use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Disclosures of this nature will be included on our website in the “Investors” section, which can currently be accessed at www.investor.wyndhamhotels.com. Accordingly, investors should monitor this section of our website in addition to following our press releases, filings submitted with the SEC and any public conference calls or webcasts.

Item 1. Business.

Wyndham Hotels & Resorts, Inc. (“Wyndham Hotels”, the “Company”, “we”, “our” or “us”) is the world’s largest hotel franchising company by number of hotels, with approximately 9,100 affiliated hotels with approximately 843,000 rooms located in over 95 countries and welcoming over 130 million guests annually worldwide. We operate a hotel portfolio of 24 brands, including Vienna House, which we acquired in 2022 and ECHO Suites Extended Stay by Wyndham, our first economy extended stay brand that we launched in the first quarter of 2022. Our 24 brands are primarily located in secondary and tertiary cities and approximately 80% of the U.S. population lives within ten miles of at least one of our affiliated hotels. Our mission is to make hotel travel possible for all. Wherever people go, Wyndham will be there to welcome them. We boast a remarkably asset-light business model dramatically limiting our capital needs and our exposure to the rising wage environment.

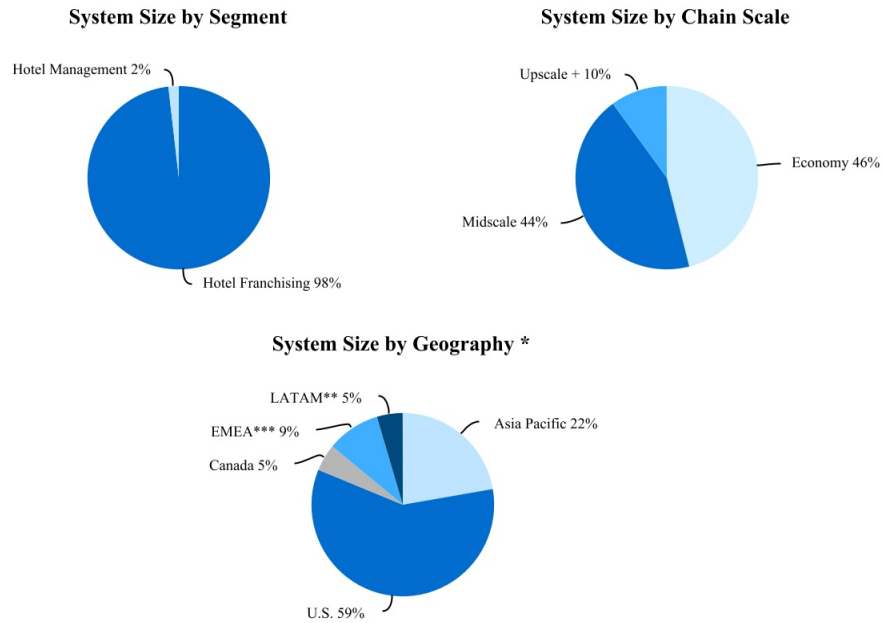
The following chart presents the number of branded hotels associated with each of the five largest traditional hotel franchise companies as of December 31, 2022, except for IHG which is as of September 30, 2022:



Source: Companies' public disclosures

Our widely recognized brands with select-service focus offer a breadth of options for franchisees and a wide range of price points and experiences for our guests. We are a global leader in the economy and midscale chain scales where our brands represent approximately 30% of branded rooms in the United States, and also have a strong presence in the upper midscale chain scale.

The following charts illustrate our system size (by rooms) as of December 31, 2022:



* Royalty contribution by geography for 2022 was as follows: U.S. 85%, Canada 5%, EMEA 5%, Asia Pacific 3% and LATAM 2%.

** LATAM is representative of Latin America and the Caribbean.

*** EMEA is representative of Europe, the Middle East, Eurasia and Africa.

As of December 31, 2022, our brand portfolio consisted of the following:

	Global Full Year RevPAR		North America		Asia Pacific		EMEA	LATAM	Total
			U.S.	Canada	Greater China	Rest of Asia			
Economy									
Super 8	\$ 28.96	Properties	1,468	122	1,087	1	12	1	2,691
		Rooms	87,560	7,934	66,605	50	1,974	50	164,173
Days Inn	\$ 40.69	Properties	1,284	105	51	12	55	9	1,516
		Rooms	92,981	8,210	7,920	1,782	3,347	747	114,987
Travelodge	\$ 39.61	Properties	340	101	—	—	—	—	441
		Rooms	23,200	7,914	—	—	—	—	31,114
Microtel	\$ 47.59	Properties	293	26	14	15	—	8	356
		Rooms	20,699	2,283	1,775	1,118	—	955	26,830
Howard Johnson	\$ 27.06	Properties	148	18	72	2	7	40	287
		Rooms	11,335	1,207	21,538	1,902	790	2,563	39,335
Total Economy	\$ 34.54	Properties	3,533	372	1,224	30	74	58	5,291
		Rooms	235,775	27,548	97,838	4,852	6,111	4,315	376,439
Midscale									
La Quinta	\$ 64.47	Properties	901	2	2	1	4	8	918
		Rooms	87,020	133	704	188	765	953	89,763
Ramada	\$ 33.17	Properties	298	77	142	66	237	31	851
		Rooms	34,834	7,333	28,493	13,286	31,968	4,430	120,344
Baymont	\$ 42.16	Properties	521	6	—	—	—	1	528
		Rooms	39,521	404	—	—	—	118	40,043
AmericInn	\$ 57.88	Properties	215	—	—	—	—	—	215
		Rooms	12,653	—	—	—	—	—	12,653
Wingate	\$ 56.16	Properties	180	8	8	—	—	—	196
		Rooms	16,017	822	1,202	—	—	—	18,041
Wyndham Alltra		NM Properties	—	—	—	—	—	3	3
		Rooms	—	—	—	—	—	974	974
Wyndham Garden	\$ 43.21	Properties	64	5	25	10	26	19	149
		Rooms	10,368	851	5,200	1,427	4,315	2,613	24,774
Ramada Encore	\$ 20.29	Properties	—	—	29	12	23	12	76
		Rooms	—	—	4,051	3,348	2,633	1,656	11,688
Hawthorn	\$ 57.57	Properties	67	—	—	—	5	—	72
		Rooms	5,462	—	—	—	504	—	5,966
Trademark Collection	\$ 57.89	Properties	64	14	—	12	81	14	185
		Rooms	10,431	1,917	—	609	12,585	2,294	27,836
TRYP	\$ 45.68	Properties	9	—	—	1	27	16	53
		Rooms	991	—	—	191	3,830	1,931	6,943
Total Midscale	\$ 47.13	Properties	2,319	112	206	102	403	104	3,246
		Rooms	217,297	11,460	39,650	19,049	56,600	14,969	359,025
Upscale									
Wyndham	\$ 47.25	Properties	46	1	39	18	23	41	168
		Rooms	11,918	235	11,303	4,279	3,673	9,009	40,417
Wyndham Grand	\$ 57.95	Properties	10	—	38	6	15	1	70
		Rooms	3,037	—	12,298	1,797	3,644	346	21,122
Dazzler	\$ 46.80	Properties	—	—	—	—	—	14	14
		Rooms	—	—	—	—	—	1,798	1,798
Esplendor	\$ 40.51	Properties	—	—	—	—	—	9	9
		Rooms	—	—	—	—	—	806	806
Dolce	\$ 76.00	Properties	4	3	—	1	9	1	18
		Rooms	960	276	—	342	2,738	341	4,657
Vienna House		NM Properties	—	—	—	—	41	—	41
		Rooms	—	—	—	—	6,404	—	6,404
Total Upscale	\$ 53.26	Properties	60	4	77	25	88	66	320
		Rooms	15,915	511	23,601	6,418	16,459	12,300	75,204
Luxury									
Registry Collection	\$ 122.52	Properties	—	—	—	—	—	16	16
		Rooms	—	—	—	—	—	6,827	6,827
Affiliated properties ^(a)									
		Properties	169	3	—	11	—	3	186
		Rooms	24,847	44	—	47	—	77	25,015
Total ^(b)	\$ 41.88	Properties	6,081	491	1,507	168	565	247	9,059
		Rooms	493,834	39,563	161,089	30,366	79,170	38,488	842,510

(a) Affiliated properties represent properties under affiliation arrangements with former Parent or other third parties.

(b) Excludes ECHO Suites Extended Stay by Wyndham, which did not have any open hotels as of December 31, 2022, though 170 hotels were added to the pipeline since the launch in March 2022 and three had broken ground during 2022.

NM - not meaningful.

The following table presents the changes in our portfolio for the last three years:

	As of December 31,					
	2022		2021		2020	
	Properties	Rooms	Properties	Rooms	Properties	Rooms
Beginning balance	8,950	810,100	8,941	795,900	9,280	831,000
Additions	490	70,400	415	53,100	322	35,600
Deletions ^(a)	(381)	(38,000)	(406)	(38,900)	(661)	(70,700)
Ending balance	9,059	842,500	8,950	810,100	8,941	795,900

(a) 2020 includes the deletion of 214 properties and approximately 18,500 rooms from the termination of non-compliant and brand detracting rooms, 20 properties and approximately 2,900 unprofitable rooms in connection with a guaranteed management contract and three properties and approximately 5,300 low-royalty rooms in connection with hotel sales by a strategic partner.

In addition to our current hotel portfolio, we have over 1,700 properties and approximately 219,000 rooms in our development pipeline throughout 60 countries including 13 where we do not currently have a presence. As of December 31, 2022, approximately 40% of our pipeline was located in the U.S. and 60% was located internationally; 80% of our pipeline was for new construction properties, of which 36% have broken ground and 20% represented conversion opportunities.

Our pipeline is typically only a subset of our development activity in any given period as some of our hotel additions are executed and opened in less than 90 days and therefore may never appear in our pipeline. However, we use the pipeline to gauge interest in our brands and our continued ability to drive our net room growth projections.

Our franchise sales team consists of nearly 150 professionals throughout the world. Our sales team is focused on growing our franchise business through conversions of existing branded and independent hotels and partnering with developers to brand newly constructed hotels. In addition to a regional presence in the United States, we currently have sales teams located in England, Turkey, United Arab Emirates, China, Singapore, Canada, India, Mexico, Brazil, Argentina, Columbia and Australia. Our international presence in key countries allows us to quickly adapt to changes in the increasingly dynamic global marketplace and to capitalize on new opportunities as they emerge.

In 2022, our sales team executed 882 contracts representing over 113,000 rooms. A key component of driving our net room growth is our ability to retain properties within our system. Our 2022 global retention rate was over 95%, which was a 20 basis point improvement from 2021. Our 2022 U.S. retention rate was also over 95%.

Our Guest Loyalty Program

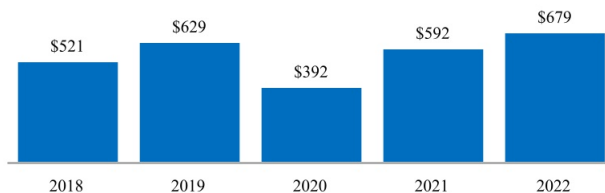
Wyndham Rewards is our award-winning guest loyalty program that supports our portfolio of brands. The program generates significant repeat business by rewarding guests with points for each qualified stay at all of our active properties, which are then redeemable for free nights and other goods and services. Members can use points for stays at over 50,000 properties, including stays at thousands of hotels, vacation clubs and vacation rentals globally as well as merchandise, gift cards, airlines, charities, and tours and activities. Affiliation with our loyalty programs encourages members to allocate more of their travel spending to our hotels.

Wyndham Rewards has been recognized as one of the simplest, most rewarding loyalty programs in the hotel industry, providing more value to members than any other program. It has won more than 100 awards and accolades in recent years and was recently ranked #1 "Best Hotel Loyalty Program" in USA TODAY 10 Best Readers' Choice Awards for the fifth time and as one of the best hotel rewards programs by US News & World Report and WalletHub.

Wyndham Rewards has approximately 99 million enrolled members. Our members accounted for over 37% of check-ins at our affiliated hotels globally and over 48% in the United States. Total membership grew 6% in 2020 and 7% in both 2021 and 2022, with approximately 7 million new enrolled members added in 2022. Our franchisees benefit from the program through repeat stays and members benefit through free night stays, as well as other redemption options for their points, such as gift cards, merchandise and experiences. The program is funded by contributions from eligible revenues generated by Wyndham Rewards members and collected by us from hotels in our system. These funds are applied to reimburse hotels and partners for Wyndham Rewards points redemptions by loyalty members and to pay for administrative expenses and marketing initiatives that support the program.

OUR FRANCHISING BUSINESS

Hotel Franchising Segment Adjusted EBITDA ^(a) (\$ in millions)

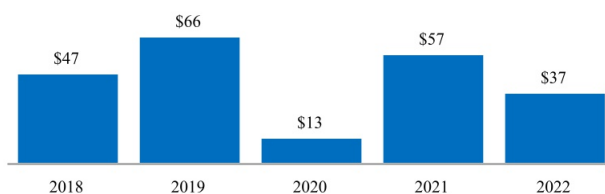


(a) See Part II Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations for our definition of adjusted EBITDA and the reconciliation of net income/(loss) to adjusted EBITDA. Adjusted EBITDA has been recasted to conform with the current year presentation for 2018 through 2020. 2020 adjusted EBITDA was impacted by COVID-19.

We license our brands and associated trademarks to over 6,000 franchisees globally, which provides for a highly diversified owner base with limited concentration. Our franchisees range from sole proprietors to institutional investors such as public real estate investment trusts. Our franchise agreements are typically 10 to 20 years in length, providing significant visibility into future cash flows. Under these agreements, our direct franchisees generally pay us a royalty fee of 4% to 5% of gross room revenue and a marketing and reservation fee of 3% to 5% of gross room revenue. We occasionally provide financial support in the form of loans or development advances to help generate new business.

OUR MANAGEMENT BUSINESS

Hotel Management Segment Adjusted EBITDA ^(a) (\$ in millions)



(a) See Part II Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations for our definition of adjusted EBITDA and the reconciliation of net income/(loss) to adjusted EBITDA. 2020 adjusted EBITDA was impacted by COVID-19.

During 2022, we completed the sale of our two owned hotels and exited our select-service management business. As a result of these transactions, we decreased the number of our managed hotels by 158 during the year.

As of December 31, 2022, we had 72 full-service hotels under management contracts, located primarily in international markets such as Argentina, China and the Middle East. We manage full-service properties under our brands, primarily under the Wyndham, Wyndham Grand, Wyndham Garden, Dolce, Ramada, Dazzler and Esplendor brands in major markets and resort destinations globally. The duration of our management agreements is typically 10 to 20 years. We earn a base management fee, which is based on a percentage of the hotel’s total revenue, and in some cases we earn an incentive fee, which is based on achieving performance metrics agreed upon with hotel owners. Under our management arrangements, we provide all the benefits of a franchising agreement and also conduct the day-to-day-operations of the hotel on behalf of the owner.

OUR STRATEGY

As the world’s largest hotel franchising company by number of hotels, with approximately 9,100 hotels under 24 brands across over 95 countries, Wyndham Hotels & Resorts is an asset-light business with significant cash generation capabilities. Our company’s mission is to make hotel travel possible for all, and our vision is to be the world’s leading provider of select-service hotel brands by delivering the best value to owners and guests.

In support of our mission and vision, our 2023 strategic priorities are organized around the following primary goals and objectives:

- drive net room growth of 2-4%, including an improvement in the retention rate of our current global system, through the continued investment in new brands, system refreshes and other programs, as well as expanding our portfolio reach across adjacent segments and geographies; and
- increase owners' profitability by optimizing property revenue and maximizing market share through continued digital innovation, capturing increase share of growing spend from the Infrastructure and CHIPS and Science Acts and reducing on-property labor and operating costs through state-of-the-art, owner-first technology solutions and services that improve guest experience and increase hotel operating efficiencies.

CORPORATE RESPONSIBILITY

We are committed to operating our business in a way that is socially, ethically and environmentally responsible. Now more than ever, we must help ensure the future remains bright for travelers around the world. As the world's largest hotel franchising company by number of hotels, we have a unique opportunity to make a meaningful impact on the world while advancing our mission to make hotel travel possible for all.

As a hospitality company, service and volunteering is deeply rooted in our history and corporate culture. Our teams and franchisees around the world actively engage in their communities, generously giving in ways that enhance the lives of others. We support various charitable programs, including youth and education, military, community and environmental programs. Our philanthropy captures the dedication of our team members, leaders and business partners who have pledged to make lasting, important contributions to the communities in which we operate.

HUMAN CAPITAL

As of December 31, 2022, we had approximately 2,500 employees, consisting of approximately 1,100 employees outside of the United States. Our workforce is comprised of approximately 2,050 corporate employees and approximately 450 managed property employees.

Culture

As a leader in hospitality, we recognize the critical role that service plays for our company. At Wyndham, our values underpin our inclusive culture, drive our growth, nurture innovation, and inspire the great experiences we create for team members and the people we serve. Our signature "Count on Me" service culture encourages each team member to be responsive, respectful, and deliver great experiences to our guests, partners, communities and each other. Our Count on Me promise aligns with our core values – integrity, accountability, inclusiveness, caring and fun – and is embedded and celebrated at all levels of our organization.

Ethical leadership starts with our Board of Directors, and is shared by senior management with every team member across every brand and business at Wyndham Hotels & Resorts. Our Business Principles guide our interactions and set the standard for how every one of us should approach our work in service to our mission. All team members are expected to embrace our shared values and principles, and do their part in maintaining the highest ethical standards and behavior as we grow in communities worldwide.

Career Development

Our team members' career development is key to our ability to attract, reward, and retain the best talent and a top priority at Wyndham. We actively seek to identify and develop talent throughout the organization and maintain a long-standing practice to support the growth and development of all our team members at every stage of their careers. We develop and curate various learning content in partnership with external providers to ensure that team members maintain the knowledge, skills and abilities they need to succeed. These experiences include on-the-job practice, coaching and counseling, effective performance appraisals and honest, timely feedback as well as a vast array of formal leadership programs. Wyndham University, our global learning system, provides our team members with access to a robust learning library that is flexible and accessible to help our team members learn, grow and thrive.

Diversity, Equity and Inclusion

We respect differences in people, ideas and experiences. Our core values, grounded in caring, respect, inclusiveness and fundamental human rights, infuse different perspectives that reflect our diverse customers, team members, and communities worldwide. While we continue to be recognized for the progress we have made on our Diversity, Equity and Inclusion

journey, we know we can do more. We added a diversity, equity and inclusion goal to performance reviews of all team members; bolstered our efforts to recruit, retain and promote diverse talent; expanded our supplier diversity program; and continued our robust diversity, equity and inclusion training programs – all to inspire our people to contribute to meaningful change in our company, our industry, our communities and the world.

Wyndham has seven global affinity business groups. These affinity groups serve as fully inclusive networks where empowered team members foster innovation, help us grow, and enhance global diversity, equity and inclusion globally. Members of our executive committee serve as sponsors of the affinity groups where they serve as allies, mentors and advocates.

Our company was named the best place to work for LGBTQ Equality by earning a perfect score, for the fifth consecutive year, on the Human Rights Campaign’s Corporate Equality Index—a national benchmarking survey on practices related to LGBTQ equality. The Company was also named a 2022 Noteworthy Company for Diversity by Diversity Inc., awarded the VETS Indexes Recognized Employer designation as part of the 2022 VETS Indexes Employer Awards, a Forbes 2022 The Best Employers for Diversity, a 2022 Military Friendly Employer and Military Friendly Supplier Diversity Program by VIQTORY in acknowledgement of our commitment to create sustainable and meaningful benefits for our military community. For the third consecutive year, Wyndham was named one of the Best Places to Work in New Jersey by New Jersey Business Magazine in 2022, we were on Newsweek’s 2022 Most Loved Workplaces list and Forbes recognized Wyndham on its 2022 list of World’s Best Employers and America’s Best Employers.

Throughout our value chain, from team members, franchisees, partners and suppliers to the community and our guests, we believe that diversity of backgrounds, cultures and experiences helps drive our company’s success.

Wellness: Our “Be Well” Program

We are committed to offering programs that focus on the total well-being of all our team members. We also understand that nutrition, exercise, lifestyle management, physical, mental, and emotional wellness, financial health and the quality of the environment in which we work and live are also critical priorities for each of our team members. We believe that health and wellness promote both professional and personal productivity, achievement, and fulfillment, ultimately making us stronger across the organization. To encourage all our team members to lead healthier lifestyles while balancing family, work and other responsibilities, we offer several resources under our Be Well program, including free clinic services, an onsite fitness facility and a Wyndham Relief Fund to help employees who are facing financial hardship.

HUMAN RIGHTS

Human rights are a basic right entitled to all. We remain committed to the well-being and safety of our team members, guests and all those that connect to our industry. In 2022, we continued to donate and activate our team members and approximately 99 million enrolled Wyndham Rewards members to support humanitarian causes around the world.

We partnered with the American Hotel & Lodging Association (“AHLA”) to support the 5-Star Promise, a voluntary commitment to enhance policies, trainings, and resources for hotel employees and guests. We are dedicated to our team members’ safety and security and we are proud to unite with our industry in support of a shared commitment to the incredible people who help make our guests’ travels memorable.

We, along with other leaders in our industry, remain committed to supporting our industry’s efforts to end human trafficking. We have worked to enhance our policies and mandated training for all our team members to help them identify and report trafficking activities.

We are proud to work with a number of organizations including ECPAT-USA, an organization whose mission is to protect every child’s human right to grow up free from the threat of sexual exploitation and trafficking.

We also support Polaris, a non-profit organization that spearheads the effort to fight against human trafficking and operates the U.S. National Human Trafficking Hotline, to which Wyndham donates Wyndham Rewards points to provide victims with temporary safe housing. As part of our giving efforts, Wyndham Rewards and its members have donated approximately 170 million points since inception to various non-profit organizations, including organizations supporting humanitarian causes to redeem for travel and other related goods and services.

ENVIRONMENTAL IMPACT

We are committed to operating sustainably in a way that provides outstanding experiences for those we serve through places to stay that are environmentally responsible. We engage team members, owners and operators around the world to uphold and leverage our core values to think globally and execute locally.

We developed the Wyndham Green Program, which was designed to show how hotels can reduce operating costs through efficiency, help drive revenue from environmentally conscious travelers, remain competitive in the market and increase brand loyalty. The Wyndham Green Program consists of two integral components: 1) the Wyndham Green Certification, our internal certification with best practices to address energy and water conservation, waste diversion, operational efficiency, as well as guest, team member and franchisee education and engagement, and 2) the Wyndham Green Toolbox, a proprietary environmental management tool that tracks, measures and reports environmental performance data to help hotels improve energy efficiency, reduce emissions, conserve water, and reduce waste – thus minimizing environmental impact.

The UN Sustainable Development Goals serve as a strategic guide for our sustainability program, which helps advance our company’s mission of making hotel travel possible for all. Our focus includes:

- Embarking on a multi-decade journey to help our franchisees reduce their greenhouse gas emissions in alignment with efforts to limit the rise in global temperatures in part by providing tools and best practices through our Wyndham Green Program.
- Promoting best practices around water conservation at these hotels through our Wyndham Green Program; supporting the access to clean water to all through our community partnerships; and reducing single-use plastics to keep our waterways and oceans pollution-free and safe for wildlife.
- Sharing best practices around waste diversion through our Wyndham Green Program in order to reduce waste sent to landfills.
- Promoting and expanding best practices for biodiversity protection across hotels in our system; partnering with suppliers to make a meaningful impact to protect forests and biodiversity.

We remain committed to helping our franchisees reduce the energy, water and carbon footprint of their hotels as we work towards achieving our 2025 environmental targets. We continuously evaluate opportunities to increase efficiencies and the usage of renewable energy where feasible as we update our decarbonization plans with longer term targets in alignment with climate science.

We continually monitor and prioritize climate-related risks based on the financial and strategic impacts on our business. Enterprise risks, including those related to sustainability, climate and energy, are identified and assessed on an ongoing basis.

We review climate-related risks using the Task Force for Climate-Related Financial Disclosures (“TCFD”) on an annual basis, which include both transition and physical risks. Some risks that we consider include:

- Current and emerging regulations, like those pertaining to energy efficiency, energy consumption reporting and green building codes and standards at the local, state, and national levels, are considered as risks for our business.
- Acute physical risks (extreme weather events), including hurricanes and wildfires, are increasing in frequency can impact travel demand in specific markets, supply chains and cause physical damage to our assets.
- Chronic physical risks, such as include rising sea levels, rising mean temperatures, changes in precipitation patterns (including droughts) and extreme variability in weather patterns, can influence demand for travel and tourism in key markets adversely by decreasing revenue and/or causing property damage.

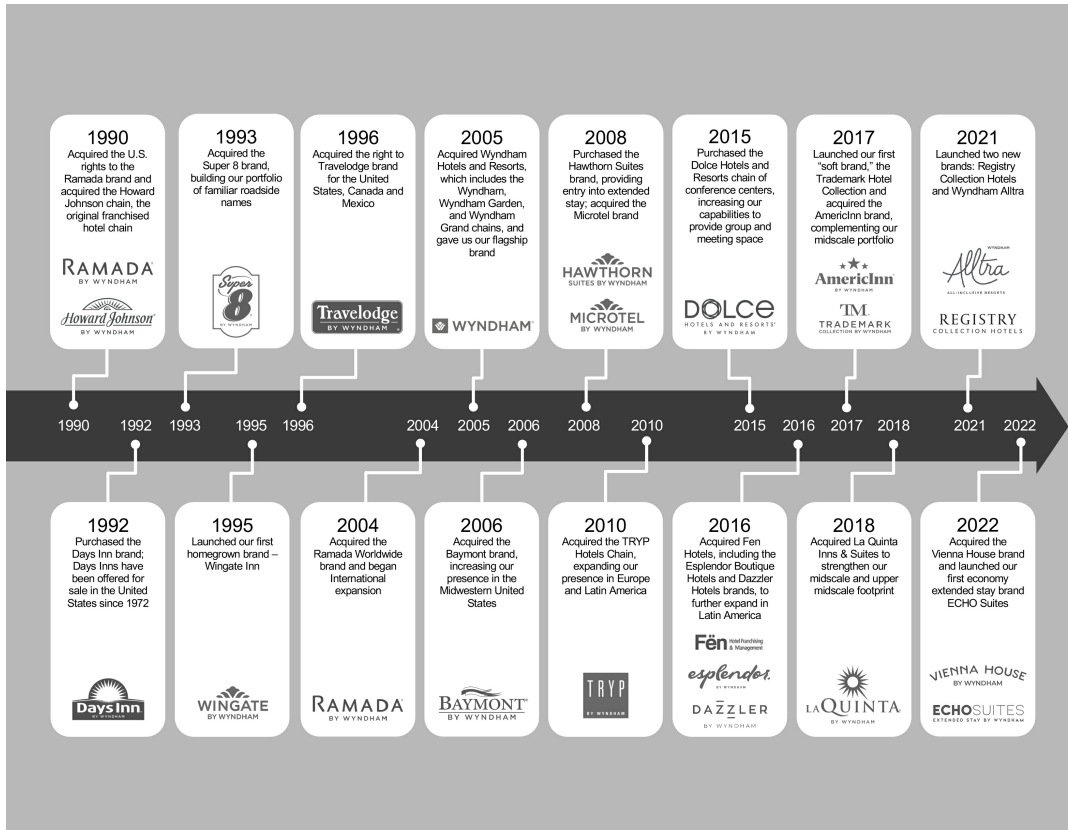
Our business model is asset-light, which dramatically limits our capital needs and exposure to the effects of climate change while providing us the ability to mitigate and transfer some of the risks associated with physical risks to third parties. Many factors influence our reputation and the value of our hotel brands including the perception held by our guests, our franchisees, our other key stakeholders and the communities in which we do business. The environmental information that we provide is used to inform their purchasing decisions and can directly impact our revenue associated with both franchisee and management fees.

During the fourth quarter of 2022, Wyndham was named to the Dow Jones Sustainability World Index, which consists of the top 10% of the largest 2,500 stocks in the S&P Global Broad Market Index based on their sustainability and environmental practices. As more travelers are looking for environmentally friendly lodging options, it is critical to position

our hotels optimally and provide new environmentally responsible options for our guests. Our 2022 ESG Report, which is available on our corporate website and not incorporated by reference into this Annual Report, contains additional information regarding our commitment to social responsibility.

OUR HISTORY

Our business was initially incorporated as Hospitality Franchise Systems, Inc. in 1990 to acquire the Howard Johnson brand and the franchise rights to the Ramada brand in the United States. It was an integral part of Wyndham Worldwide Corporation and its predecessor from 1997 to 2018. Wyndham Hotels became an independent, public company in May 2018 when it was spun-off from Wyndham Worldwide, now known as Travel + Leisure Co. (“Travel + Leisure”).



COMPETITION

We encounter competition among hotel franchisors and lodging operators. We believe franchisees make decisions based principally upon the perceived value and quality of the brand and the services offered. We further believe that the perceived value of a brand name is partially a function of the success of the existing hotels franchised under the brand.

The ability of an individual franchisee to compete may be affected by the location and quality of its property, the number of competitors in the vicinity, community reputation and other factors. A franchisee’s success may also be affected by general, regional and local economic conditions. The potential effect of these conditions on our performance is substantially reduced by virtue of the diverse locations of our affiliated hotels and by the scale of our base. Our system is dispersed among over 6,000 franchisees, which reduces our exposure to any one franchisee. One master franchisor in China for the Super 8 brand accounts for 12% of our hotels. Apart from this relationship, no one franchisee accounts for more than 2% of our hotels.

SEASONALITY

While the hotel industry is seasonal in nature, periods of higher revenues vary property-by-property and performance is dependent on location and guest base. Based on historical performance, revenues from franchise and management contracts are generally higher in the second and third quarters than in the first or fourth quarters due to increased leisure travel during the spring and summer months. Our cash from operating activities may not necessarily follow the same seasonality as our revenues and may vary due to timing of working capital requirements and other investment activities. The seasonality of our business may cause fluctuations in our quarterly operating results, earnings, profit margins and cash flows. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

INTELLECTUAL PROPERTY

Wyndham Hotels owns the trademarks and other intellectual property rights related to our hotel brands, including the “Wyndham” trademark. We actively use, directly or through our licensees, these trademarks and other intellectual property rights. We operate in a highly competitive industry in which the trademarks and other intellectual property rights related to our hotel brands are very important to the marketing and sales of our services. We believe that our hotel brand names have come to represent high standards of quality, caring, service and value to our franchisees and guests. We register the trademarks that we own in the United States Patent and Trademark Office, as well as with other relevant authorities, where we deem appropriate, and otherwise seek to protect our trademarks and other intellectual property rights from unauthorized use as permitted by law.

GOVERNMENT REGULATION

Our business is subject to various foreign and U.S. federal and state laws and regulations. In particular, our franchisees are subject to the local laws and regulations in each country in which such hotels are operated, including employment laws and practices, privacy laws and tax laws, which may provide for tax rates that vary from those of the United States and which may provide that our foreign earnings are subject to withholding requirements or other restrictions, unexpected changes in regulatory requirements or monetary policy and other potentially adverse tax consequences. Our franchisees and other aspects of our business are also subject to various foreign and U.S. federal and state laws and regulations, including the Americans with Disabilities Act and similar legislation in certain jurisdictions outside of the United States.

The Federal Trade Commission, various states and other foreign jurisdictions regulate the offer and sale of franchises. The Federal Trade Commission requires us to furnish to prospective franchisees a franchise disclosure document containing prescribed information prior to execution of a binding franchise agreement or payment of money by the prospective franchisee. State regulations also require franchisors to make extensive disclosure to prospective franchisees, and a number of states also require registration of the franchise disclosure document prior to sale of any franchise within the state. Non-compliance with disclosure and registration laws can affect the timing of our ability to sell franchises in these jurisdictions. Additionally, laws in many states and foreign jurisdictions also govern the franchise relationship, such as imposing limits on a franchisor’s ability to terminate franchise agreements or to withhold consent to the renewal or transfer of these agreements. Failure to comply with these laws and regulations has the potential to result in fines, injunctive relief, and/or payment of damages or restitution to individual franchisees or regulatory bodies, or negative publicity impairing our ability to sell franchises.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Geoffrey A. Ballotti, 61, serves as our President and Chief Executive Officer and member of our Board of Directors. From March 2014 to May 2018, Mr. Ballotti served as President and Chief Executive Officer of Wyndham Hotel Group. From March 2008 to March 2014, Mr. Ballotti served as Chief Executive Officer of Wyndham Destination Network. From October 2003 to March 2008, Mr. Ballotti was President of the North America Division of Starwood Hotels and Resorts Worldwide. From 1989 to 2003, Mr. Ballotti held leadership positions of increasing responsibility at Starwood Hotels and Resorts Worldwide, including President of Starwood North America, Executive Vice President, Operations, Senior Vice President, Southern Europe and Managing Director, Ciga Spa, Italy. Prior to joining Starwood Hotels and Resorts Worldwide, Mr. Ballotti was a Banking Officer in the Commercial Real Estate Group at the Bank of New England.

Michele Allen, 48, serves as our Chief Financial Officer. From May 2018 to December 2019, Ms. Allen served as Executive Vice President and Treasurer. From April 2015 to May 2018, Ms. Allen served as Senior Vice President of Finance for Wyndham Worldwide. From August 2006 to March 2015, Ms. Allen held leadership positions of increasing responsibility at Wyndham Hotel Group, including Senior Vice President of Finance and Controller. From 1999 to August 2006, Ms. Allen

served in positions of increasing responsibility at Wyndham Worldwide's predecessor. Ms. Allen began her career as an independent auditor at Deloitte & Touche LLP.

Paul F. Cash, 53, serves as our General Counsel, Chief Compliance Officer and Corporate Secretary. From October 2017 to May 2018, Mr. Cash served as Executive Vice President and General Counsel of Wyndham Hotel Group. From April 2005 to September 2017, Mr. Cash served as Executive Vice President and General Counsel and in legal executive positions with increasing leadership responsibility for Wyndham Destination Network. From January 2003 to April 2005, Mr. Cash was a partner in the Mergers and Acquisitions, International and Entertainment and New Media practice groups of Alston & Bird LLP and from February 1997 to December 2002 he was an associate at Alston & Bird LLP. From August 1995 until February 1997, Mr. Cash was an associate at the law firm Pünder, Volhard, Weber & Axster in Frankfurt, Germany.

Lisa Borromeo Checchio, 42, serves as our Chief Marketing Officer. From May 2018 to January 2019, Ms. Checchio served as our Senior Vice President and Chief Marketing Officer. From August 2015 to May 2018, Ms. Checchio served in positions of increasing responsibility for Wyndham Hotel Group including Senior Vice President, Global Brands. From July 2004 to August 2015, Ms. Checchio held several marketing positions of increasing responsibility and served as Brand Marketing and Advertising Director for JetBlue Airways.

Monica Melancon, 55, serves as our Chief Human Resource Officer. From March 2020 to February 2021, Ms. Melancon served as Group Vice President, Human Resources – Managed. Ms. Melancon joined Wyndham Hotels & Resorts, Inc. in May 2018 and continued in her role as Vice President, Employee Relations following the Company's acquisition of La Quinta in May 2018 where she had served in the same role from August 2016 to May 2018. Ms. Melancon previously served as Regional Employee Relations Manager of La Quinta from March 2015 to July 2016. Prior to joining La Quinta, Ms. Melancon served 15 years in various human resource positions of increasing responsibility at Target Corporation.

Nicola Rossi, 56, serves as our Chief Accounting Officer. From July 2006 to May 2018, Mr. Rossi served as Senior Vice President and Chief Accounting Officer for Wyndham Worldwide. Mr. Rossi was Vice President and Controller of Cendant's Hotel Group from June 2004 to July 2006. From April 2002 to June 2004, Mr. Rossi served as Vice President, Corporate Finance for Cendant. From April 2000 to April 2002, Mr. Rossi was Corporate Controller and from June 1999 to March 2000 was Assistant Corporate Controller of Jacuzzi Brands, Inc. Mr. Rossi began his career as an independent auditor at Deloitte & Touche LLP.

Scott R. Strickland, 52, serves as our Chief Information Officer. From March 2017 to May 2018, Mr. Strickland served as Chief Information Officer of Wyndham Hotel Group. From November 2011 to March 2017, Mr. Strickland served as Chief Information Officer for Denon Marantz Electronics. From February 2005 to June 2010, Mr. Strickland served as Chief Information Officer for Black & Decker HHI. From 1999 to 2005, Mr. Strickland served as an Associate Partner with PricewaterhouseCoopers.

Item 1A. Risk Factors.

RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this report. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our Company. However, the risks and uncertainties we face are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe to not presently create significant risk to us may also adversely affect our business. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the following risks and/or uncertainties develop into actual events, these events could have a material adverse effect on our business, financial condition or results of operations. In such case, the trading price of our common stock could decline.

Risks Relating to Our Industry

The lodging industry is highly competitive, and we are subject to risks related to competition that may adversely affect our performance and growth.

Our continued success depends upon our ability to compete effectively in markets that contain numerous competitors, some of whom may have significantly greater financial, marketing and other resources than we have. We compete with other hotel franchisors for franchisees and we may not be able to grow our franchise system. New hotels may be constructed and

these additions to supply create new competitors, in some cases without corresponding increases in demand for lodging. Competition may reduce fee structures, potentially causing us to lower our fees and/or offer other incentives, and may require us to offer terms to prospective franchisees less favorable to us than current franchise agreements, which may adversely impact our profits. Our franchisees also compete with alternative lodging channels, including third-party providers of short-term rental properties and serviced apartments. Increasing use of these alternative lodging channels could adversely affect the occupancy and/or average rates at franchised hotels and our revenues. The use of business models by competitors that are different from ours may require us to change our model so that we can remain competitive.

The COVID-19 pandemic has impacted our operations and the operations of our franchisees, and this pandemic or other potential future pandemics could have a material adverse effect on our business, results of operations and financial condition.

Since first being identified in December 2019, COVID-19 had an unprecedented impact on the global economy and the hospitality industry due to the implementation of a wide variety of control measures including, but not limited to, states of emergency and restrictions on travel and large gatherings. These measures resulted in cancelled and reduced travel, complete and partial suspensions of hotel operations and hotel closures. While many of these measures and similar restrictions were subsequently relaxed, a resurgence of future COVID-19 variants or other potential future pandemics may cause similar disruptions to our industry that existed in 2020 and 2021. Similarly, while our operations and the operations of our franchisees have largely stabilized since the onset of COVID-19, the potential effects that COVID-19 may continue to have on us or on our franchisees are unclear. Such impacts could have a material adverse effect on our business, results of operations and financial condition.

Declines in or disruptions to the travel and hotel industries may adversely affect us.

We face risks affecting the travel and hotel industries that include, but are not limited to: economic slowdown and potential recessionary pressures; economic factors such as inflation, rising interest rates, employment layoffs, increased costs of living and reduced discretionary income, which may adversely impact decisions by consumers and businesses to use travel accommodations; domestic unrest, terrorist incidents and threats and associated heightened travel security measures; political instability or political and regional strife, including the ongoing conflict between Russia and Ukraine; acts of God such as earthquakes, hurricanes, fires, floods, volcanoes and other natural disasters; war; concerns with or threats of contagious diseases or health epidemics or pandemics, such as COVID-19; environmental disasters; lengthy power outages; cyber threats, increased pricing, financial instability and capacity constraints of air carriers; airline job actions and strikes. Increases in the frequency and severity of extreme weather events and other consequences of climate change (including any related regulation) could impact travel demand generally, lead to supply chain interruptions, cause damage to physical assets or adversely impact the accessibility or desirability of travel to certain locations. For example, certain of our franchisees' properties are located in coastal areas that could be threatened should sea levels dramatically rise. Because a significant portion of our revenues is derived from fees based on room revenues, disruptions at our franchised properties due to climate change may adversely impact the fees we collect from these properties. Any decline in or disruptions to the travel or hotel industries may adversely affect travel demand and the results of our operations, and those of our current franchised hotels and potential franchisees and developers. Any of these factors could increase our costs, reduce our revenues and otherwise adversely impact our profitability and/or opportunities for growth.

The ongoing conflict between Russia and Ukraine has and may continue to negatively impact macro-economic conditions, which may adversely affect discretionary consumer spending and, as a result, our business, financial condition, results of operations and cash flows.

Russia's invasion of Ukraine has negatively affected the global economy. Financial and economic sanctions imposed on certain industry sectors and parties in Russia by the U.S., United Kingdom and European Union, as well as potential retaliatory actions by Russia, could also have a negative impact on the global economy. The current conflict between Russia and Ukraine has not materially affected our overall operations and our operations in both countries are immaterial. However, the conflict has negatively impacted global macro-economic conditions and a prolonged conflict, the potential expansion of the conflict into other European countries, or the direct involvement of the U.S. or other countries where we source our guests could have more significant impacts on macro-economic conditions, which could adversely affect discretionary consumer spending and, consequently, our operations.

Additional risks to our business relating to the Russia and Ukraine conflict include potential interruptions in global supply chains and the availability of items essential to our operations, the heightened possibility of cyberattacks and terrorist activity, volatility or disruption in financial markets and the potential for travel restrictions affecting our guests' ability to access our franchisees' hotel locations.

Third-party internet travel intermediaries and peer-to-peer online networks may adversely affect us.

Consumers use third-party internet travel intermediaries, including search engines, and peer-to-peer online networks to search for and book their lodging accommodations. As the percentage of internet reservations increases, travel intermediaries may be able to obtain higher commissions and reduced room rates to the detriment of our business. Additionally, such travel intermediaries may divert reservations away from our direct online channels or increase the overall cost of internet reservations for our affiliated hotels through their fees and a variety of online marketing methods, including the purchase by certain travel intermediaries of keywords consisting of or containing our hotel brands from Internet search engines to influence search results and direct guests to their websites. If we fail to reach satisfactory agreements with travel intermediaries, our affiliated hotels may not appear on their websites and we could lose business as a result. Further, travel intermediaries may seek to offer distribution services under their own brands directly to lodging accommodations in competition with our core franchise business.

Risks Relating to Our Operations and Acquisitions

We are subject to business, financial, operating and other risks common to the hotel and hotel franchising industries which also affect our franchisees, any of which could reduce our revenues, limit our growth or otherwise impact our business.

A significant portion of our revenue is derived from fees based on room revenues at hotels franchised under our brands. As such, our business is subject, directly or through our franchisees, to risks common in the hotel and hotel franchising industries, including risks related to:

- our ability to meet our objectives for growth in the number of our franchised hotels and hotel rooms in our franchise system and to retain and renew franchisee contracts, all on favorable terms;
- the number, occupancy and room rates of hotels operating under our franchise agreements;
- the delay of hotel openings in our pipeline;
- changes in the supply and demand for hotel rooms;
- increased pricing or supply chain disruptions for raw materials which could cause delays in the completion and development of new hotels;
- our ability to develop and maintain positive relations and contractual arrangements with current and potential franchisees under our franchise agreements and other third parties, including marketing alliances and affiliations with e-commerce channels;
- our franchisees' pricing decisions;
- the quality of the services provided by franchisees and their investments in the maintenance and improvement of properties;
- the bankruptcy or insolvency of a significant number of our franchised hotels;
- the financial condition of franchisees, owners or other developers and the availability of financing to them;
- adverse events occurring at franchised hotel locations, including personal injuries, food tampering, contamination or the spread of illness, including COVID-19;
- negative publicity, which could damage our hotel brands;
- our ability to successfully market our current or any future hotel brands and programs, including our rewards program, and to service or pilot new initiatives;
- our relationship with certain multi-unit franchisees;
- changes in the laws, regulations and legislation affecting our business, internationally and domestically;
- our failure to adequately protect and maintain our trademarks and other intellectual property rights;
- the relative mix of branded hotels in the various hotel industry price categories;
- corporate budgets and spending and cancellations, deferrals or renegotiations of group business;
- seasonal or cyclical volatility in our business;
- operating costs, including as a result of inflation, energy costs and labor costs, such as minimum wage increases and unionization, workers' compensation and health-care related costs and insurance; and
- disputes, claims and litigation and other legal proceedings concerning our franchised hotels' operations, including with consumers, government regulators, other businesses, franchisees, organized labor activities and class actions.

Any of these factors could reduce our revenues, increase our costs or otherwise limit our opportunities for growth.

Our international operations are subject to additional risks not generally applicable to our domestic operations.

Our international operations are subject to numerous risks including: exposure to local economic conditions; potential adverse changes in the diplomatic relations of foreign countries with the U.S.; hostility from local populations; political instability, including as a result of the ongoing conflict between Russia and Ukraine; trade disputes with trade partners, including China, potential military conflict resulting from escalating political tensions with Russia and China and other geopolitical risks; threats or acts of terrorism; the effect of disruptions caused by severe weather, natural disasters, outbreak

of disease, such as COVID-19 or other events that make travel to a particular region less attractive or more difficult; the presence and acceptance of varying levels of business corruption in international markets; restrictions and taxes on the withdrawal of foreign investment and earnings; government policies against businesses or properties owned by foreigners; investment restrictions or requirements; diminished ability to legally enforce our contractual rights in foreign countries; forced nationalization of hotel properties by local, state or national governments; foreign exchange restrictions; fluctuations in foreign currency exchange rates, including the negative impact of the weakening of foreign currencies in geographic regions in which we operate relative to the U.S. dollar; our ability to, or our decision whether or not in particular instances to, hedge against foreign currency effects, and whether we are successful in any such hedging transactions; the ability to comply with or the effect of complying with new and developing laws, regulations and policies of foreign governments, including with respect to climate change; conflicts between local laws and U.S. laws, including laws that impact our rights to protect our intellectual property; withholding and other taxes on remittances and other payments by subsidiaries; and changes in and application of foreign taxation structures including value added taxes. Any adverse outcome resulting from the financial instability or performance of foreign economies, the instability of other currencies and the related volatility on foreign exchange and interest rates could adversely impact our results of operations, financial condition or cash flows.

We are dependent on our senior management and the loss of any member of our senior management could harm our business.

We believe that our future growth depends in part on the continued services of our senior management team. Losing the services of any member of our senior management team could adversely affect our strategic relationships and impede our ability to execute our business strategies. The market for qualified individuals may be highly competitive and finding and recruiting suitable replacements for senior management may be difficult, time-consuming and costly. While we have updated our policies and practices to provide more flexibility for remote work, we may experience increased attrition of employees to other opportunities as a result of the tightening and increasingly competitive labor market and, particularly as certain employees may seek more flexible work alternatives than we offer, may seek positions with companies outside of the geographic area in which they live that offer remote work opportunities, or may decide to scale back their work life for personal reasons. If we are unable to retain our personnel, particularly our executive officers and senior management team, our business could be harmed.

Acquisitions and other strategic transactions may not prove successful and could result in operating difficulties and failure to realize anticipated benefits.

We regularly consider a wide array of acquisitions and other potential strategic transactions, including acquisitions of hotel brands, businesses and real property, joint ventures, business combinations, strategic investments and dispositions. Any of these transactions could be material to our business. We often compete for these opportunities with third parties, which may cause us to lose potential opportunities or to pay more than we may otherwise have paid absent such competition. We may not be able to identify and consummate strategic transactions and opportunities on favorable terms and any such strategic transactions or opportunities, if consummated, may not be successful.

Risks Relating to Our Relationships with Third Parties

Our license and other fees could be impacted by any softness in Travel + Leisure’s sales of vacation ownership interests.

In connection with our 2018 spin-off (the “Spin-Off”) from Wyndham Worldwide, now known as Travel + Leisure Co. (“Travel + Leisure”), we entered into a number of agreements with Travel + Leisure that govern our ongoing relationship with Travel + Leisure. Our success depends, in part, on the maintenance of our ongoing relationship with Travel + Leisure, Travel + Leisure’s performance of its obligations under these agreements and continued strategic focus on sales of vacation ownership interests, including Travel + Leisure’s maintenance of the quality of products and services it sells under the “Wyndham” trademark and certain other trademarks and intellectual property that we license to Travel + Leisure. Under the License, Development and Noncompetition Agreement, Travel + Leisure pays us significant royalties and other fees based on the volume of Travel + Leisure’s sales of vacation ownership interests and other vacation products and services. If Travel + Leisure is unable to compete effectively for sales of vacation ownership interests, our royalty fees under such agreement could be adversely impacted. If we are unable to maintain a good relationship with Travel + Leisure, or if Travel + Leisure does not perform its obligations under these agreements, fails to maintain the quality of the products and services it sells under the “Wyndham” trademark and certain other trademarks or fails to pay such royalties, our earnings could decrease.

Risks Relating to Regulation and Technology

Our operations are subject to extensive regulation and the cost of compliance or failure to comply with regulations may adversely affect us.

Our operations are regulated by federal, state and local governments in the countries in which we operate. In addition, U.S. and international federal, state and local regulators may enact new laws and regulations that may reduce our profits or require us to modify our business practices substantially. If we are not in compliance with applicable laws and regulations, including, among others, those governing franchising, hotel operations, lending, information security, data protection and privacy (such as the General Data Protection Regulation, U.S. State privacy laws, the Personal Information Protection Law of the People's Republic of China or similar laws or regulations), credit card security standards, marketing, including sales, consumer protection and advertising, unfair and deceptive trade practices, fraud, bribery and corruption, licensing, labor, employment, anti-discrimination, health care, health and safety, accessibility, immigration, gaming, environmental, intellectual property, securities, stock exchange listing, accounting, tax and regulations applicable under the Dodd-Frank Act, the Office of Foreign Assets Control, the Americans with Disabilities Act, the Sherman Act, the Foreign Corrupt Practices Act and local equivalents in international jurisdictions, including the United Kingdom Bribery Act, we may be subject to regulatory investigations or actions, fines, civil and/or criminal penalties, injunctions and potential criminal prosecution. Changes to such laws and regulations and the cost of compliance or failure to comply with such regulations may adversely affect us.

Additionally, some jurisdictions are considering or have undertaken actions to regulate greenhouse gas emissions, energy efficiency, energy consumption reporting and green building codes. Such actions could affect the operation of our franchisees' properties and result in increased capital expenditures, such as those used to improve the energy efficiency of properties. The cost of such governmental actions would depend upon the specific requirements and may impact our financial condition, results of operations or ability to compete.

Failure to maintain the security of personally identifiable and proprietary information, non-compliance with our contractual obligations regarding such information or a violation of our privacy and security policies with respect to such information could adversely affect us.

In connection with our business, we and our service providers collect, use and store large volumes of certain types of personal and proprietary information pertaining to guests, franchisees, stockholders and employees. Such information includes, but is not limited to, large volumes of guest credit and payment card information. We are at risk of attack by cybercriminals operating on a global basis attempting to gain access to such information. In connection with data security incidents involving a group of Wyndham brand hotels that occurred between 2008 and 2010, one of our subsidiaries is subject to a stipulated order with the U.S. Federal Trade Commission (the "FTC"), pursuant to which, among other things, it must meet certain requirements for reasonable data security as outlined in the stipulated order.

While we maintain what we believe are reasonable security controls over personal and proprietary information, a breach of or breakdown in our systems that results in the unauthorized release of personal or proprietary information could nevertheless occur and have a material adverse effect on our hotel brands, reputation, business, financial condition and results of operations, as well as subject us to significant fines, litigation, losses, third-party damages and other liabilities, or our subsidiary could fail to comply with the stipulated order with the FTC. We may face increased cybersecurity risks due to our increasing reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Cybercriminal "hacker" activity has increased in sophistication, duration and frequency since the start of the COVID-19 pandemic and poses additional risks.

Data breaches, viruses, ransomware, worms, malicious software, and other serious cyber incidents have increased globally, along with the methods, techniques and complexity of attacks, including efforts to discover and exploit any design flaws, bugs or other security vulnerabilities. Additionally, continued geopolitical turmoil, including the ongoing conflict between Russia and Ukraine, has heightened the risk of cyber-attacks. We have been, and likely will continue to be, subject to such cyber-attacks. Also, the same cyber security issues exist for the third parties with whom we interact and share information, and cyber-attacks on third parties which possess or use our customer, personnel and other information could adversely impact us in the same way as would a direct cyber-attack on us. Although we do not believe we have incurred any material adverse impact on our operations or financial results as a result of any present or recent cyber-attack, there is no guarantee that cyber-attacks have not gone generally undetected or without general recognition of magnitude or will not occur in the future, any of which could materially adversely affect our brands, reputation, consumer confidence in us, costs and profitability. In addition, the security measures we deploy are not perfect or impenetrable, and we may be unable to anticipate or prevent all unauthorized access attempts made on our systems or those of our third-party service providers.

Additionally, the legal and regulatory environment surrounding information security and privacy in the U.S. and international jurisdictions is constantly evolving, including recent developments and complexities with regard to requirements for the cross-border transfer of personal information due to emerging laws, regulations and judicial decisions (such as cross-

border data transfer regulations issued by the People's Republic of China authorities). Other jurisdictions may impose additional restrictions or requirements on cross-border transfers including limitations on transferring data beyond the originating country. Violation or non-compliance with any of these laws or regulations, contractual requirements relating to data security and privacy, or with our own privacy and security policies, either intentionally or unintentionally, or through the acts of intermediaries could have a material adverse effect on our hotel brands, reputation, business, financial condition and results of operations, as well as subject us to significant fines, litigation, losses, third-party damages and other liabilities. While we maintain cyber risk insurance, in the event of a significant security or data breach, this insurance may not cover all of the losses that we may suffer and may result in increased cost or impact the future availability of coverage.

We rely on information technologies and systems to operate our business, which involves reliance on third-party service providers and on uninterrupted operation of service facilities.

We rely on information technologies and systems to operate our business, which involves reliance on third-party service providers (including cloud-based service providers) such as Sabre Corporation and its SynXis Platform and uninterrupted operations of our and third-party service facilities, including those used for reservation systems, hotel/property management, communications, procurement, call centers, operation of our loyalty program and administrative systems. We and our vendors also maintain physical facilities to support these systems and related services. As a result, in addition to failures that occur from time to time in the ordinary course of business, we and our vendors may be vulnerable to system failures, computer hacking, cyber-terrorism, computer viruses and other intentional or unintentional interference, negligence, fraud, misuse and other unauthorized attempts to access or interfere with these systems and our personal and proprietary information. The increased scope and complexity of our information technology infrastructure and systems could contribute to the potential risk of security breaches or breakdown. Any natural disaster, disruption or other impairment in our technology capabilities and service facilities or those of our vendors could adversely affect our business. In addition, failure to keep pace with developments in technology could impair our operations or competitive position.

Risks Relating to Our Indebtedness and Tax Treatment

Changes in U.S. federal, state and local or foreign tax law, interpretations of existing tax law or adverse determinations by tax authorities could increase our tax burden or otherwise adversely affect our financial condition or results of operations.

We are subject to taxation at the federal, state and local levels in the U.S. and various other countries and jurisdictions. Our future effective tax rate and cash flows could be affected by changes in the composition of earnings in jurisdictions with differing tax rates, changes in statutory rates and other legislative changes, changes in the valuation of our deferred tax assets and liabilities, changes in determinations regarding the jurisdictions in which we are subject to tax and our ability to repatriate earnings from foreign jurisdictions. From time to time, U.S. federal, state and local and foreign governments make substantive changes to tax rules and their application, which could result in materially higher corporate taxes than would be incurred under existing tax law and could adversely affect our financial condition or results of operations. We are subject to ongoing and periodic tax audits and disputes in U.S. federal and various state, local and foreign jurisdictions. An unfavorable outcome from any tax audit could result in higher tax costs, penalties and interest, thereby adversely affecting our financial condition or results of operations.

In addition, we are directly and indirectly affected by new tax legislation and regulation and the interpretation of tax laws and regulations worldwide. Changes in such legislation, regulation or interpretation could increase our taxes and have an adverse effect on our operating results and financial condition. This includes potential changes in tax laws or the interpretation of tax laws arising out of the Base Erosion Profit Shifting project initiated by the Organization for Economic Co-operation and Development ("OECD"). In July and October of 2021, the OECD/G-20 Inclusive Framework on BEPS released statements outlining a political agreement on the general rules to be adopted for taxing the digital economy, specifically with respect to nexus and profit allocation (Pillar One) and rules for a global minimum tax (Pillar Two). Preliminary agreement has been reached between OECD member jurisdictions on the global minimum tax (Pillar Two) directive. Further details regarding implementation of these rules are expected to be finalized in the near future. These rules, should they be implemented via domestic legislation of countries or via international treaties, could have a material impact on our effective tax rate or result in higher cash tax liabilities. There can be no assurance that our tax payments, tax credits or incentives will not be adversely affected by these or other initiatives.

We are subject to risks related to our debt, hedging transactions, our extension of credit and the cost and availability of capital.

As of December 31, 2022, we had aggregate outstanding debt of \$2,077 million. We may incur additional indebtedness in the future, which may magnify the potential impacts of the risks related to our debt. Our debt instruments contain restrictions, covenants and events of default that, among other things, could limit our ability to respond to changing business and economic conditions; take advantage of business opportunities; incur or guarantee additional debt; pay dividends or make distributions or repurchases; make investments or acquisitions; sell, transfer or otherwise dispose of certain assets; create

liens; consolidate or merge; enter into transactions with affiliates; and prepay and repurchase or redeem certain indebtedness. Failure to meet our payment obligations or comply with other financial covenants could result in a default and acceleration of the underlying debt and under other debt instruments that contain cross-default provisions.

In order to reduce or hedge our financial exposure to the effects of currency and interest rate fluctuations, we may use financial instruments, such as hedging transactions. Changes in interest rates may adversely affect our financing costs and/or change the market value of our hedging transactions. Any failure or non-performance of counterparties under our hedging transactions could result in losses. Changes in interest rates may also adversely change the market value of our hedging transactions and may adversely affect financing costs. While a significant portion of our debt is effectively at a fixed rate of interest and our nearest maturity is not until 2025, an increase in financing cost due to increased interest rates may hinder our efforts to expand our franchisee footprint, which could adversely affect our cash flows and business.

The London Interbank Offered Rate (“LIBOR”) is expected to no longer be available after June 30, 2023 for the primary U.S. dollar LIBOR settings used by the Company. Our credit facility gives us the option to use LIBOR as a funding benchmark, but also allows us and the administrative agent to replace LIBOR with an alternative benchmark rate, subject to the right of the majority of the lenders to object thereto, as set forth in the credit facility. In April 2022, we amended our credit facility to change the applicable rate benchmark from LIBOR to Term Secured Overnight Financing Rate (“SOFR”) for our revolver and term loan A. Our term loan B is still based on LIBOR and will need to be modified by June 30, 2023. Our interest rate swaps are also based on the one-month U.S. dollar LIBOR. The International Swaps and Derivatives Association has issued terms that can be applied to determine the alternative reference rates under swap transactions and the timing of the switch to such alternatives.

There have been significant efforts by market participants and government and regulatory bodies in the U.S. and abroad to identify suitable replacement rates and develop processes for migration to the use of the alternatives. In the U.S., the Alternative Reference Rates Committee (“ARRC”), a committee of private sector entities convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has recommended SOFR plus a recommended spread adjustment as LIBOR’s replacement. There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities. If our LIBOR-based borrowings are converted to SOFR, as occurred in April 2022, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in interest costs that are higher than if LIBOR remained available, which could have a material adverse effect on our operating results. Although SOFR is the ARRC’s recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in other ways that would result in higher interest costs for us.

In addition, we extend credit to assist franchisees in converting to, or building a new hotel under, one of our hotel brands through development advance notes and mezzanine or other forms of subordinated financing. The inability of franchisees to pay back such loans could materially and adversely affect our cash flows and business.

We may need to dedicate a significant portion of our cash flows to the payment of principal and interest. Our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or general corporate or other purposes may be limited, and we may be unable to renew or refinance our debt on terms as favorable as our existing debt or at all. Additionally, certain market liquidity factors, including uncertainty or volatility in the equity and credit markets, outside of our control could affect our access to credit and capital in the future and adversely impact our business plans and operating model. Our credit rating and the market value of our common stock could also be affected. While we believe we have adequate sources of liquidity to meet our anticipated requirements for working capital, debt service and capital expenditures for the foreseeable future, if we are unable to refinance or repay our outstanding debt when due, our results of operations and financial condition will be materially and adversely affected.

Changes to estimates or projections used to assess the fair value of our assets or operating results that are lower than our current estimates may cause us to incur additional impairment losses and require us to write-off all or a portion of the remaining value of our goodwill or other intangibles of companies we have acquired.

Our total assets include goodwill and other intangible assets. We evaluate our goodwill for impairment on an annual basis or at other times during the year if events or circumstances indicate that it is more likely than not that the fair value is below the carrying value. We may be required to record significant non-cash impairment charges in our financial statements during the period in which any impairment of our goodwill, other intangible assets or other assets is determined, which would negatively impact our results of operations and stockholders’ equity.

Risks Relating to Litigation, Reputation and Insurance

We are subject to risks related to litigation.

We are subject to a number of disputes, claims, litigation and other legal proceedings as described in this report, and any unfavorable rulings or outcomes in current or future litigation and other legal proceedings may materially harm our business. For additional information, see our Commitments and Contingencies note (Note 15) in the notes to our financial statements.

We are subject to risks related to human trafficking allegations.

Our business, along with the hospitality industry generally, faces risk that could cause damage to our reputation and the value of our hotel brands due to claims related to purported incidents of human trafficking. Along with many of our competitors, we and/or certain of our subsidiaries have been named as defendants in litigation matters filed in state and federal courts (and incurred litigation-related fees and costs), alleging statutory and common law claims arising from purported incidents of human trafficking perpetrated by third parties at certain franchised facilities and hotels owned or managed by certain of our subsidiaries. For additional information, see our Commitments and Contingencies note (Note 15) in the notes to our financial statements.

The insurance we carry may not always pay, or be sufficient to pay or reimburse us, for our liabilities, losses or replacement costs.

We carry insurance for general liability, property, business interruption and other insurable risks with respect to our business and franchised hotels. We also self-insure for certain risks up to certain monetary limits. The insurance coverage we carry, subject to our deductible, may not be sufficient to pay or reimburse us for the amount of our liabilities, losses or replacement costs, and there may also be risks for which we do not obtain insurance in the full amount, or some amount, or at all concerning a potential loss or liability, due to the cost or availability of such insurance. As a result, we may incur liabilities or losses in the operation of our business that are not sufficiently covered by the insurance we maintain, or at all, which could have a material adverse effect on our business, financial condition and results of operations.

Risks Relating to Our Common Stock and Corporate Governance

The market price of our common stock may continue to fluctuate.

The market price for our common stock, and the market price of stock of other companies operating in the hospitality industry, has been highly volatile. For example, during the year ended December 31, 2022, the trading price of our common stock ranged between a low sales price of \$58.81 and a high sales price of \$93.86. The market price of our common stock may continue to fluctuate depending upon many factors, some of which may be beyond our control, including the effects of the COVID-19 pandemic, our ability to achieve growth and performance objectives, the success or failure of our business strategy, general economic conditions, our quarterly or annual earnings and those of other companies in our industry, changes in financial estimates and recommendations by securities analysts, changes in laws and regulations, political instability, increased competition and changes affecting the travel industry and other events impacting our business. The stock market in general has experienced volatility that has often been unrelated to the operating performance of a particular company. These market fluctuations may adversely affect the trading price of our common stock.

Certain of our Directors and executive officers may have actual or potential conflicts of interest because of their ownership of Travel + Leisure equity or their current or former positions at Travel + Leisure.

Two of our Directors also serve on the Travel + Leisure Board and certain of our executive officers and non-employee Directors own shares of Travel + Leisure common stock because of their current or former positions with Travel + Leisure. This could create, or appear to create, potential conflicts of interest when our or Travel + Leisure's management, officers and directors face decisions that could have different implications for us and Travel + Leisure.

We are subject to risks related to corporate social responsibility.

Our business, along with the hospitality industry generally, faces scrutiny related to environmental, social and governance activities and the risk of damage to our reputation and the value of our hotel brands if we fail to act responsibly or comply with regulatory requirements in a number of areas, such as safety and security, responsible tourism, environmental stewardship, supply chain management, climate change, diversity, equity and inclusion, philanthropy and support for local communities. In particular, our stakeholders (notably our customers, stockholders and team members) are increasingly interested in our approach to managing climate-related risks and opportunities (including, but not limited to, targets that keep global average temperature rise to no more than 1.5°C, measure Scope 3 franchisee emissions and expand participation in the Wyndham Green Certification program) and may directly impact our revenue.

Provisions in our corporate governance documents and Delaware law may prevent or delay an acquisition of our business, which could decrease the market price of our common stock.

Our corporate governance documents and Delaware law contain provisions that are intended to deter or delay coercive takeover practices and inadequate takeover bids, including requiring advance notice for stockholder proposals, placing limitations on convening stockholder meetings and authorizing our Board to issue one or more series of preferred stock. Additionally, Delaware law also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. These provisions may prevent or delay an acquisition that some stockholders may consider beneficial, which could decrease the market price of our common stock.

Our third amended and restated by-laws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders and the federal district courts of the United States as the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our Directors or employees.

Our third amended and restated by-laws provide that, subject to limited exceptions, (1) the Court of Chancery of the State of Delaware will be the sole and exclusive forum for derivative actions; claims related to a breach of a fiduciary duty, corporate law, our second amended and restated certificate of incorporation, as amended or our third amended and restated bylaws, as amended; or under the internal affairs doctrine; and (2) the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act of 1933, as amended, including all causes of action asserted against any defendant to such complaint. We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, these choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our current or former Directors, officers or employees, which may discourage such lawsuits. Alternatively, if a court were to find these provisions of our third amended and restated by-laws inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and Board.

We may not continue to pay dividends on, or effect repurchases of, our common stock, and the terms of our indebtedness could limit our ability to pay dividends on our common stock.

The declaration and payment of dividends and share repurchases are at the sole discretion of our Board and will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions under our indebtedness and other factors that our Board may deem relevant. Though we expect to make regular dividends, there can be no assurance that a payment of a dividend will occur in the future.

Risks Relating to the Spin-Off and Related Transactions

In connection with the Spin-Off and Travel + Leisure's sale of its European vacation rentals business, we agreed to indemnify Travel + Leisure and Travel + Leisure agreed to indemnify us for certain liabilities, including taxes, and if we are required to perform under these indemnities or if Travel + Leisure is unable to satisfy its obligations under these indemnities, our financial results could be negatively affected.

In connection with the Spin-Off and Travel + Leisure's sale of its European vacation rentals business, we agreed to indemnify Travel + Leisure and Travel + Leisure agreed to indemnify us for certain liabilities, including taxes, and if we are required to perform under these indemnities or if Travel + Leisure is unable to satisfy its obligations under these indemnities, our financial results could be negatively affected. Additionally, the contingent liabilities we assumed in connection with the Spin-Off and Travel + Leisure's sale of its European vacation rentals business could adversely affect our results of operations and financial condition as a result of our indemnification obligations. Should our indemnification obligations exceed applicable insurance coverage, our business, financial condition and results of operations could be adversely affected. Additionally, the indemnities from Travel + Leisure may not be sufficient to protect us against the full amount of these and other liabilities. Third parties also could seek to hold us responsible for any of the liabilities that Travel + Leisure has agreed to assume. Even if we ultimately succeed in recovering from Travel + Leisure any amounts for which we are held liable, we may be temporarily required to bear those losses ourselves. Each of these risks could negatively affect our business, financial condition, results of operations and cash flows.

If the Spin-Off, together with certain related transactions, were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, then our stockholders, we and Travel + Leisure might be required to pay substantial U.S. federal income taxes.

The Spin-Off was conditioned upon Travel + Leisure's receipt of opinions of its Spin-Off tax advisors to the effect that, subject to the assumptions and limitations described in the opinions, the Spin-Off, together with certain related transactions, would qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended (the "Code"), in which no gain or loss would be recognized by Travel + Leisure or its stockholders, except, in the case of Travel + Leisure stockholders, for cash received in lieu of fractional shares, which opinions were delivered on the closing date of the Spin-Off. The opinions of the Spin-Off tax advisors are not binding on the Internal Revenue Service ("IRS") or a court, and there can be no assurance that the IRS will not challenge the validity of the Spin-Off and such related transactions as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code eligible for tax-free treatment, or that any such challenge ultimately will not prevail.

In addition, Travel + Leisure received certain rulings from the IRS regarding certain U.S. federal income tax aspects of transactions related to the Spin-Off. Although the IRS Ruling generally is binding on the IRS, the continued validity of the IRS Ruling is based upon and subject to the continuing accuracy of factual statements and representations made to the IRS by Travel + Leisure.

If the Spin-Off does not qualify as a tax-free transaction for any reason, including as a result of a breach of a representation or covenant with respect to such tax opinions or the IRS Ruling, Travel + Leisure would recognize a substantial gain attributable to our hotel business for U.S. federal income tax purposes. In such case, under U.S. Treasury regulations, each member of the Travel + Leisure consolidated group at the time of the Spin-Off, including us and certain of our subsidiaries, would be jointly and severally liable for the entire resulting amount of any U.S. federal income tax liability.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our corporate headquarters is located in a leased office at 22 Sylvan Way, Parsippany, New Jersey, with the lease expiring in 2029. We also lease space for our reservation center and data warehouse in Saint John, New Brunswick, Canada pursuant to a lease that expires in 2029. In addition, we have an additional 11 leases for office space in 10 countries outside the United States and one additional lease within the United States. We will evaluate the need to renew each lease on a case-by-case basis prior to its expiration.

We believe our current leased properties are adequate to support our existing operations.

Item 3. Legal Proceedings.

We are involved in various claims, legal and regulatory proceedings and governmental inquiries arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material adverse effect on our financial condition. See Note 15 - Commitments and Contingencies to the Consolidated Financial Statements contained in Part IV of this report for a description of claims and legal actions arising in the ordinary course of our business.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.****MARKET PRICE OF COMMON STOCK**

Our common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “WH”. As of January 31, 2023, the number of stockholders of record was 4,226.

DIVIDEND POLICY

We declared cash dividends of \$0.32 per share in each of the first, second, third and fourth quarters of 2022 (\$116 million in aggregate), which is consistent with our pre-pandemic quarterly dividend per share.

The declaration and payment of future dividends to holders of our common stock is at the discretion of our Board and depends upon many factors, including our financial condition, earnings, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that our Board deems relevant.

ISSUER PURCHASES OF EQUITY SECURITIES

In May 2018, our Board approved a share repurchase plan pursuant to which we were authorized to purchase up to \$300 million of our common stock. In August 2019, the Board increased the capacity of the program by \$300 million. Our Board increased the capacity of the program by \$400 million in February 2022 and an additional \$400 million in October 2022. Below is a summary of our common stock repurchases, excluding fees and expenses, by month for the quarter ended December 31, 2022:

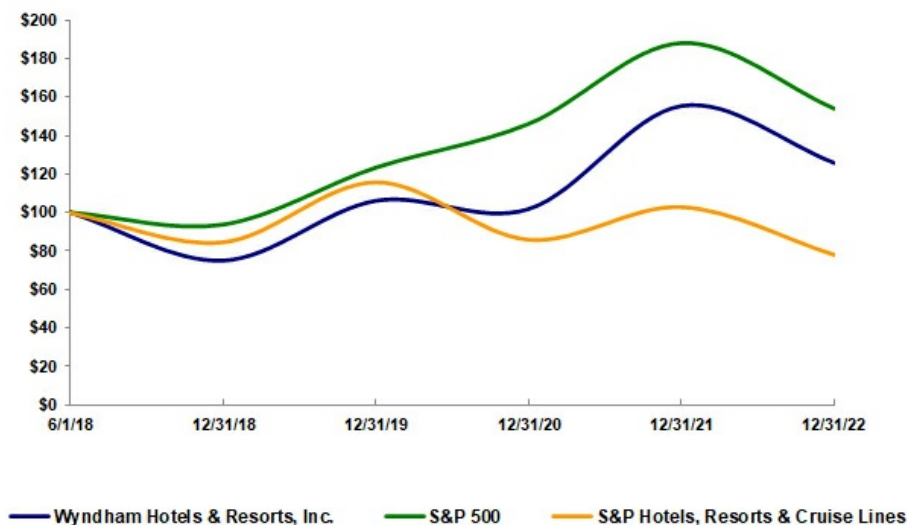
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under Plan
October	318,796	\$ 66.54	318,796	\$ 547,693,500
November	522,728	72.69	522,728	509,697,514
December	1,038,266	70.82	1,038,266	436,168,920
Total	1,879,790	\$ 70.61	1,879,790	\$ 436,168,920

STOCK PERFORMANCE GRAPH

The following graph compares the cumulative total stockholder return of our common stock against the S&P 500 Index and the S&P Hotels, Resorts & Cruise Lines Index (consisting of Booking Holdings Inc., Carnival Corporation & plc, Expedia Group, Inc., Hilton Worldwide Holdings Inc., Marriott International, Inc., Norwegian Cruise Line Holdings Ltd., and Royal Caribbean Cruises Ltd.) for the period from June 1, 2018 to December 31, 2022. The graph assumes that \$100 was invested on June 1, 2018 (the first day of regular-way trading) and all dividends and other distributions were reinvested. The Stock Performance Graph is not deemed filed with the Securities and Exchange Commission (“SEC”) and shall not be deemed incorporated by reference into any of our prior or future filings made with the SEC.

COMPARISON OF 55 MONTH CUMULATIVE TOTAL RETURN*

Among Wyndham Hotels & Resorts, Inc., the S&P 500 Index
and the S&P Hotels, Resorts & Cruise Lines Index



*\$100 invested on 6/1/18 in stock or 5/31/18 in index, including reinvestment of dividends.
Fiscal year ending December 31.

Cumulative Total Return

	June 1, 2018	December 31,				
		2018	2019	2020	2021	2022
Wyndham Hotels & Resorts, Inc.	\$ 100.00	\$ 74.91	\$ 105.93	\$ 101.61	\$ 155.06	\$ 125.53
S&P 500	\$ 100.00	\$ 93.72	\$ 123.23	\$ 145.90	\$ 187.79	\$ 153.78
S&P Hotels, Resorts & Cruise Lines	\$ 100.00	\$ 84.58	\$ 115.92	\$ 85.92	\$ 102.97	\$ 78.01

Item 6. Reserved.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. (Unless otherwise noted, all amounts are in millions, except share and per share amounts)

References herein to "Wyndham Hotels," the "Company," "we," "our" and "us" refer to both (i) Wyndham Hotels & Resorts, Inc. and its consolidated subsidiaries for time periods following the consummation of the spin-off and (ii) the Wyndham Hotels & Resorts businesses for time periods prior to the consummation of our spin-off from Wyndham Worldwide ("former Parent"), now known as Travel + Leisure Co.

The Company is a leading global hotel franchisor, licensing its renowned hotel brands to hotel owners in over 95 countries around the world.

The Company operates in the following segments:

- **Hotel Franchising** — licenses our lodging brands and provides related services to third-party hotel owners and others.
- **Hotel Management** — provides hotel management services for full-service hotels.

The Consolidated Financial Statements presented herein have been prepared on a stand-alone basis. The Consolidated Financial Statements include the Company's assets, liabilities, revenues, expenses and cash flows and all entities in which it has a controlling financial interest.

RESULTS OF OPERATIONS

Discussed below are our key operating statistics, consolidated results of operations and the results of operations for each of our reportable segments. The reportable segments presented below represent our operating segments for which discrete financial information is available and used on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon net revenues and adjusted EBITDA. Adjusted EBITDA is defined as net income/(loss) excluding net interest expense, depreciation and amortization, early extinguishment of debt charges, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition- or separation-related), (gain)/loss on asset sales, foreign currency impacts of highly inflationary countries, stock-based compensation expense, income taxes and development advance notes amortization. We believe that adjusted EBITDA is a useful measure of performance for our segments and, when considered with U.S. Generally Accepted Accounting Principles ("GAAP") measures, gives a more complete understanding of our operating performance. We use this measure internally to assess operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of selected compensation decisions. Adjusted EBITDA is not a recognized term under U.S. GAAP and should not be considered as an alternative to net income or other measures of financial performance or liquidity derived in accordance with U.S. GAAP. Our presentation of adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

We generate royalties and franchise fees, management fees and other revenues from hotel franchising and hotel management activities, as well as fees from licensing our "Wyndham" trademark, certain other trademarks and intellectual property. In addition, pursuant to our franchise and management contracts with third-party hotel owners, we generate marketing, reservation and loyalty fee revenues and cost reimbursement revenues that over time are offset, respectively, by the marketing, reservation and loyalty costs and property operating costs that we incur.

OPERATING STATISTICS - 2022 VS. 2021

The table below presents our operating statistics for the years ended December 31, 2022 and 2021. “Rooms” represent the number of hotel rooms at the end of the period which are either under franchise and/or management agreements, or are Company-owned (as of December 31, 2021), and properties under affiliation agreements for which we receive a fee for reservation and/or other services provided. “RevPAR” represents revenue per available room and is calculated by multiplying average occupancy rate by average daily rate. “Average royalty rate” represents the average royalty rate earned on our franchised properties and is calculated by dividing total royalties, excluding the impact of amortization of development advance notes, by total room revenues. These operating statistics are drivers of our revenues and therefore provide an enhanced understanding of our business. Refer to the section below for a discussion as to how these operating statistics affected our business for the periods presented.

	Year Ended December 31,		
	2022	2021	% Change
Rooms			
United States	493,800	490,600	1 %
International	348,700	319,500	9 %
Total rooms	842,500	810,100	4 %
RevPAR			
United States	\$ 50.72	\$ 45.19	12 %
International ^(a)	29.05	21.52	35 %
Global RevPAR ^(a)	41.88	35.95	16 %
Average Royalty Rate			
United States	4.6 %	4.6 %	—
International	2.1 %	2.1 %	—
Global average royalty rate	3.9 %	4.1 %	(20) bps

(a) Excluding currency effects, international RevPAR increased 49% and global RevPAR increased 20%.

Rooms as of December 31, 2022 increased 4% compared to the prior year, reflecting 1% growth in the U.S. and 9% growth internationally. As expected, these increases included strong growth in both the higher RevPAR midscale and above segments in the U.S. and the direct franchising business in China, which grew 4% and 10%, respectively, as well as 80 basis points of growth globally and 200 basis points internationally from the acquisition of the Vienna House brand in September 2022.

Excluding currency effects, global RevPAR for the year ended December 31, 2022 increased 20%, compared to the prior year, including U.S. growth of 12% and international growth of 49%. The increases were primarily driven by stronger pricing power and COVID-19 recovery internationally.

Global average royalty rate for the year ended December 31, 2022 decreased by 20 basis points to 3.9%, compared to the prior year due to mix as both international RevPAR and net room growth outpaced the U.S., with the RevPAR growth primarily the result of COVID-19 recovering more slowly internationally than it did in the U.S.

YEAR ENDED DECEMBER 31, 2022 VS. YEAR ENDED DECEMBER 31, 2021

	Year Ended December 31,			
	2022	2021	Change	% Change
Revenues				
Fee-related and other revenues	\$ 1,354	\$ 1,245	\$ 109	9 %
Cost reimbursement revenues	144	320	(176)	(55 %)
Net revenues	1,498	1,565	(67)	(4 %)
Expenses				
Marketing, reservation and loyalty expense	524	450	74	16 %
Cost reimbursement expense	144	320	(176)	(55 %)
Gain on asset sale, net	(35)	—	(35)	n/a
Other expenses	307	349	(42)	(12 %)
Total expenses	940	1,119	(179)	(16 %)
Operating income	558	446	112	25 %
Interest expense, net	80	93	(13)	(14 %)
Early extinguishment of debt	2	18	(16)	(89 %)
Income before income taxes	476	335	141	42 %
Provision for income taxes	121	91	30	33 %
Net income	\$ 355	\$ 244	\$ 111	45 %

Net revenues during 2022 decreased by \$67 million, or 4%, compared to the prior year, primarily driven by:

- \$261 million of lower revenues associated with our select-service management and owned hotel businesses which were exited in the first half of 2022 (which \$186 million represented cost-reimbursement revenues that have no impact on net income); partially offset by
- \$76 million of higher marketing, reservation and loyalty fees reflecting a 16% increase in global RevPAR;
- \$65 million of higher royalty and franchise fees due to the RevPAR increase;
- \$21 million of higher license and other fees resulting from higher travel demand associated with the COVID-19 recovery;
- \$20 million of higher other revenues primarily due to favorable co-branded credit card activity; and
- \$10 million of higher cost-reimbursement revenues related to the COVID-19 recovery in our full-service managed properties that have no impact on net income.

Total expenses during 2022, decreased \$179 million, or 16%, compared to the prior year, primarily driven by:

- \$267 million of lower expenses associated with our select-service management and owned hotel businesses, which were exited in the first half of 2022 (which \$186 million represented cost-reimbursement expenses as discussed above); and
- a \$35 million gain related to the sale our owned hotel Wyndham Grand Bonnet Creek Resort in March 2022; partially offset by
- \$81 million of higher marketing, reservation and loyalty expenses primarily as a result of the increase in marketing revenue;
- \$14 million of higher variable expenses primarily associated with the improvement in travel demand due to the COVID-19 recovery;
- \$13 million of higher costs primarily due to inflation, as expected; and
- \$10 million of higher cost-reimbursement expenses related to COVID-19 recovery in our full-service managed properties.

Interest expense, net during 2022 decreased \$13 million, or 14%, compared to the prior year as a result of the redemption of our \$500 million senior notes in April 2021 and an increase in interest income.

Early extinguishment of debt of \$2 million in 2022 relates to the amendment of our credit agreement and \$400 million partial pay down of our term loan B, while the \$18 million in 2021 relates to the redemption of our \$500 million senior notes.

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Our effective tax rate decreased to 25.4% in 2022 from 27.2% in 2021. The change was primarily related to the release of valuation allowances for net operating loss carryforwards, which was partially offset by an additional valuation allowance for certain foreign tax credits generated during the year.

As a result of these items, net income during 2022, increased \$111 million compared to the prior year.

A reconciliation of net income to adjusted EBITDA is represented below:

	Year Ended December 31,	
	2022	2021
Net income	\$ 355	\$ 244
Provision for income taxes	121	91
Depreciation and amortization	77	95
Interest expense, net	80	93
Early extinguishment of debt	2	18
Stock-based compensation expense	33	28
Development advance notes amortization	12	11
Gain on asset sale, net	(35)	—
Separation-related expenses	1	3
Impairments, net	—	6
Foreign currency impact of highly inflationary countries	4	1
Adjusted EBITDA	\$ 650	\$ 590

Following is a discussion of the results of each of our segments and Corporate and Other for 2022 compared to 2021:

	Net Revenues			Adjusted EBITDA		
	2022	2021	% Change	2022	2021	% Change
Hotel Franchising	\$ 1,277	\$ 1,099	16 %	\$ 679	\$ 592	15 %
Hotel Management	221	466	(53 %)	37	57	(35 %)
Corporate and Other	—	—	—	(66)	(59)	(12 %)
Total Company	\$ 1,498	\$ 1,565	(4 %)	\$ 650	\$ 590	10 %

Hotel Franchising

	Year Ended December 31,		
	2022	2021	% Change
Rooms			
United States	493,500	465,100	6 %
International	333,600	304,300	10 %
Total rooms	827,100	769,400	7 %
RevPAR			
United States	\$ 50.00	\$ 43.95	14 %
International ^(a)	28.11	20.86	35 %
Global RevPAR ^(a)	41.23	34.85	18 %

(a) Excluding currency effects, international RevPAR increased 49% and global RevPAR increased 22%.

Rooms increased 7% from the prior year period reflecting:

- Organic growth of 4%;
- The conversion of managed properties to franchise in connection with the exit of our select-service management business and the sales of our two owned hotels, which resulted in 270 basis points of growth; and
- The acquisition of the Vienna House brand in the third quarter of 2022, which resulted in 80 basis points of growth.

Excluding currency effects, global RevPAR increased 22% from the prior year period due to a 14% increase in the U.S. and a 49% increase internationally, both driven by stronger pricing power.

Net revenues during 2022 increased \$178 million, or 16% compared to the prior year, primarily driven by:

- \$60 million of higher royalty and franchise fees reflecting the RevPAR increase;
- \$76 million of higher marketing, reservation and loyalty revenues also reflecting the RevPAR increase;
- \$21 million of higher other revenues primarily due to favorable co-branded credit card activity; and
- \$21 million of higher license and other fees due to strong travel demand associated with the COVID-19 recovery.

Adjusted EBITDA during 2022 increased \$87 million, or 15%, compared to the prior year, driven by the revenue increases discussed above, partially offset by:

- \$81 million of higher marketing, reservation and loyalty expenses primarily as a result of the increase in marketing revenues;
- \$8 million of higher costs primarily reflecting variable expenses associated with the improvement in travel demand due to the COVID-19 recovery; and
- \$5 million of higher costs due to inflation, as expected.

Hotel Management

	Year Ended December 31,		
	2022	2021	% Change
Rooms			
United States	300	25,500	(99 %)
International	15,100	15,200	(1 %)
Total rooms	15,400	40,700	(62 %)
RevPAR			
United States	\$ 92.66	\$ 63.20	47 %
International ^(a)	48.61	34.31	42 %
Global RevPAR ^(a)	64.07	53.81	19 %

(a) Excluding currency effects, international RevPAR increased 50% and global RevPAR increased 23%.

Rooms declined 62% from the prior year period, driven by the conversion of managed properties to franchise in connection with the exit of our select-service management business and the sale of our two owned hotels.

Excluding currency effects, global RevPAR increased 23% from the prior year period primarily due to the impact from the exit of our select-service hotel management business.

Net revenues during 2022 decreased \$245 million, or 53%, compared to the prior year, primarily driven by:

- \$261 million of lower revenues associated with our select-service management and owned hotel businesses which we exited in the first half of 2022 and, of which \$186 million represented cost-reimbursement revenues, that have no impact on adjusted EBITDA; partially offset by
- \$10 million of higher cost-reimbursement revenues related to our full-service managed properties; and
- \$4 million of higher royalty, management and other fees.

Adjusted EBITDA during 2022 decreased \$20 million, or 35%, compared to the prior year primarily driven by the revenue decreases discussed above (excluding cost reimbursements), partially offset by \$56 million of lower expenses associated with the exit from our select-service hotel management business and owned hotel businesses.

Corporate and Other

Adjusted EBITDA during 2022 was unfavorable by \$7 million compared to the prior year primarily due to inflationary cost pressures, as expected.

OPERATING STATISTICS - 2021 VS. 2020

The table below presents our operating statistics for the years ended December 31, 2021 and 2020. “Rooms” represent the number of hotel rooms at the end of the period which are either under franchise and/or management agreements, or are Company-owned, and properties under affiliation agreements for which we receive a fee for reservation and/or other services provided. “RevPAR” represents revenue per available room and is calculated by multiplying average occupancy rate by average daily rate. “Average royalty rate” represents the average royalty rate earned on our franchised properties and is calculated by dividing total royalties, excluding the impact of amortization of development advance notes, by total room revenues. These operating statistics are drivers of our revenues and therefore provide an enhanced understanding of our business. Refer to the section below for a discussion as to how these operating statistics affected our business for the periods presented.

	Year Ended December 31,		
	2021	2020	% Change
Rooms			
United States	490,600	487,300	1 %
International	319,500	308,600	4 %
Total rooms	810,100	795,900	2 %
RevPAR			
United States	\$ 45.19	\$ 30.20	50 %
International ^(a)	21.52	15.35	40 %
Global RevPAR ^(a)	35.95	24.51	47 %
Average Royalty Rate			
United States	4.6 %	4.5 %	2 %
International	2.1 %	2.1 %	— %
Global average royalty rate	4.1 %	4.0 %	3 %

(a) Excluding currency effects, international RevPAR increased 36% and global RevPAR increased 46%.

Rooms as of December 31, 2021 increased 2% compared to the prior year. As expected, we experienced strong growth in the higher RevPAR midscale and above chain scales in the U.S., increasing system size by 5%, as well as strong growth in the direct franchising business in China, which grew 15%.

Global RevPAR for the year ended December 31, 2021 increased 47% to \$35.95, compared to the prior year due to the ongoing recovery in travel demand. Global RevPAR recovered to 88% of 2019 levels on an annual and constant currency basis, including domestic and international RevPAR at 97% and 67%, respectively, of 2019 levels.

Global average royalty rate for the year ended December 31, 2021 increased 3% to 4.1%, compared to the prior year.

YEAR ENDED DECEMBER 31, 2021 VS. YEAR ENDED DECEMBER 31, 2020

	Year Ended December 31,			
	2021	2020	Change	% Change
Revenues				
Fee-related and other revenues	\$ 1,245	\$ 950	\$ 295	31 %
Cost reimbursement revenues	320	350	(30)	(9 %)
Net revenues	1,565	1,300	265	20 %
Expenses				
Marketing, reservation and loyalty expense	450	419	31	7 %
Cost reimbursement expense	320	350	(30)	(9 %)
Other expenses	349	577	(228)	(40 %)
Total expenses	1,119	1,346	(227)	(17 %)
Operating income/(loss)	446	(46)	492	n/a
Interest expense, net	93	112	(19)	(17 %)
Early extinguishment of debt	18	—	18	n/a
Income/(loss) before income taxes	335	(158)	493	n/a
Provision for/(benefit from) income taxes	91	(26)	117	n/a
Net income/(loss)	\$ 244	\$ (132)	\$ 376	n/a

Net revenues during 2021 increased \$265 million, or 20%, compared to the prior year, primarily driven by:

- \$133 million of higher royalty and franchise fees reflecting a 47% increase in global RevPAR due to the ongoing recovery in travel demand and a 2% increase in system size;
- \$98 million of higher marketing, reservation and loyalty fee primarily due to the RevPAR increase;
- \$53 million of higher management and other fees due to the ongoing recovery in travel demand; partially offset by
- \$30 million of lower cost-reimbursement revenues in our hotel management business as a result of CorePoint Lodging asset sales.

Total expenses during 2021, decreased \$227 million, or 17%, compared to the prior year, primarily driven by:

- \$200 million of lower impairment charges, driven by the absence of \$206 million of impairment charges during 2020, partially offset by a \$6 million impairment charge in 2021 resulting from our Board's approval of a plan to sell our two owned hotels;
- \$34 million of lower restructuring charges due to the absence of cost saving initiatives implemented in 2020 in response to COVID-19;
- \$30 million of lower cost-reimbursement expenses consistent with the revenue decline discussed above;
- \$12 million of lower transaction-related expenses; partially offset by
- \$31 million of higher marketing, reservation and loyalty expenses primarily due to the ongoing recovery in travel demand; and
- \$23 million of higher operating expenses primarily associated with the recovery in travel demand at our owned hotels.

Interest expense, net during 2021 decreased \$19 million, or 17%, compared to the prior year and early extinguishment of debt was \$18 million in 2021 as a result of the redemption of our \$500 million 5.375% senior notes in April 2021.

Our effective tax rate increased to 27.2% on pre-tax income from 16.5% on pre-tax loss during 2021 and 2020, respectively. The change was primarily related to valuation allowances for certain tax attributes and impact of foreign taxes, including withholding taxes on international operations. In 2020, we had goodwill impairment charges that were nondeductible for tax purposes which decreased the effective tax rate.

As a result of these items, net income during 2021, increased \$376 million compared to the prior year.

A reconciliation of net income/(loss) to adjusted EBITDA is represented below:

	Year Ended December 31,	
	2021	2020 ^(a)
Net income/(loss)	\$ 244	\$ (132)
Provision for/(benefit from) income taxes	91	(26)
Depreciation and amortization	95	98
Interest expense, net	93	112
Early extinguishment of debt	18	—
Stock-based compensation expense	28	19
Development advance notes amortization	11	9
Impairments, net	6	206
Separation-related expenses	3	2
Restructuring costs	—	34
Transaction-related expenses, net	—	12
Foreign currency impact of highly inflationary countries	1	2
Adjusted EBITDA	\$ 590	\$ 336

(a) Adjusted EBITDA for 2020 has been recasted to conform with the current year presentation.

Following is a discussion of the results of each of our segments and Corporate and Other for 2021 compared to 2020:

	Net Revenues			Adjusted EBITDA		
	2021	2020	% Change	2021	2020 ^(a)	% Change
Hotel Franchising	\$ 1,099	\$ 863	27 %	\$ 592	\$ 392	51 %
Hotel Management	466	437	7 %	57	13	338 %
Corporate and Other	—	—	n/a	(59)	(69)	(14 %)
Total Company	\$ 1,565	\$ 1,300	20 %	\$ 590	\$ 336	76 %

(a) Adjusted EBITDA for 2020 has been recasted to conform with the current year presentation.

Hotel Franchising

	Year Ended December 31,		
	2021	2020	% Change
Rooms			
United States	465,100	452,600	3 %
International	304,300	293,900	4 %
Total rooms	769,400	746,500	3 %
RevPAR			
United States	\$ 43.95	\$ 29.50	49 %
International ^(a)	20.86	14.75	41 %
Global RevPAR ^(a)	34.85	23.74	47 %

(a) Excluding currency effects, international RevPAR increased 37% and global RevPAR increased 46%.

Net revenues during 2021 increased \$236 million, or 27% compared to the prior year, primarily driven by:

- \$127 million of higher royalty and franchise fees driven by the ongoing recovery in travel demand, its impact on global RevPAR and increase in our system size; and
- \$98 million of higher marketing, reservation and loyalty revenues, driven by the ongoing recovery in travel demand.

Adjusted EBITDA during 2021 increased \$200 million, or 51%, compared to the prior year, driven by revenue increases discussed above, partially offset by \$36 million of higher expenses primarily due to higher marketing, reservation and loyalty expense and other volume-related expenses.

Hotel Management

	Year Ended December 31,		
	2021	2020	% Change
Rooms			
United States	25,500	34,700	(27 %)
International	15,200	14,700	3 %
Total rooms	40,700	49,400	(18 %)
RevPAR			
United States	\$ 63.20	\$ 37.97	66 %
International ^(a)	34.31	26.21	31 %
Global RevPAR ^(a)	53.81	34.67	55 %

(a) Excluding currency effects, international RevPAR increased 30% and global RevPAR increased 55%.

Net revenues during 2021 increased \$29 million, or 7%, compared to the prior year, primarily driven by:

- \$45 million of higher owned hotel revenues due to the ongoing recovery in travel demand;
- \$8 million of higher management fees due to the ongoing recovery in travel demand; and
- \$4 million of higher termination fees primarily related to CorePoint asset sales; partially offset by
- \$30 million of lower cost-reimbursement revenues as discussed above, which have no impact on adjusted EBITDA.

Adjusted EBITDA during 2021 increased \$44 million, or 338%, compared to the prior year, primarily driven by the higher owned hotel revenues discussed above, partially offset by higher volume-related expenses primarily related to our owned hotels.

Corporate and Other

Adjusted EBITDA during 2021 was favorable by \$10 million compared to the prior year, primarily due to lower general and administrative costs.

SELECTED FINANCIAL DATA

The following selected historical consolidated statement of income/(loss) data for the years ended December 31, 2022, 2021 and 2020 and the selected historical consolidated balance sheet data as of December 31, 2022 and 2021 are derived from the audited Consolidated Financial Statements of Wyndham Hotels & Resorts included elsewhere in this report. The selected historical consolidated and combined statement of income/(loss) data for the years ended December 31, 2019 and 2018 and the selected historical consolidated and combined balance sheet data as of December 31, 2020, 2019 and 2018 are derived from audited consolidated and combined financial statements of Wyndham Hotels & Resorts businesses that are not included in this report.

The selected historical consolidated and combined financial data below should be read together with the audited Consolidated Financial Statements of Wyndham Hotels & Resorts, including the notes thereto and the other financial information included elsewhere in this report.

	As of or For the Year Ended December 31,				
(\$ in millions, except per share amounts and RevPAR)	2022	2021	2020	2019	2018 ^(a)
Statement of Income/(Loss) data:					
Revenues					
Fee-related and other revenues	\$ 1,354	\$ 1,245	\$ 950	\$ 1,430	\$ 1,282
Cost reimbursement revenues	144	320	350	623	586
Net revenues	1,498	1,565	1,300	2,053	1,868
Expenses					
Marketing, reservation and loyalty expense	524	450	419	563	486
Cost reimbursement expense	144	320	350	623	586
Other expenses	272	349	577	560	513
Total expenses	940	1,119	1,346	1,746	1,585
Operating income/(loss)	558	446	(46)	307	283
Interest expense, net	80	93	112	100	60
Early extinguishment of debt	2	18	—	—	—
Income/(loss) before income taxes	476	335	(158)	207	223
Provision for/(benefit from) income taxes	121	91	(26)	50	61
Net income/(loss)	\$ 355	\$ 244	\$ (132)	\$ 157	\$ 162
Per share data:					
Diluted earnings/(loss) per share	\$ 3.91	\$ 2.60	\$ (1.42)	\$ 1.62	\$ 1.62
Cash dividends declared per share	1.28	0.88	0.56	1.16	0.75
Balance Sheet data:					
Cash	\$ 161	\$ 171	\$ 493	\$ 94	\$ 366
Total assets ^(b)	4,123	4,269	4,644	4,533	4,976
Total debt ^(b)	2,077	2,084	2,597	2,122	2,141
Total liabilities ^(b)	3,161	3,180	3,681	3,321	3,558
Total stockholders' equity	962	1,089	963	1,212	1,418
Other financial data:					
Royalties and franchise fees	\$ 512	\$ 461	\$ 328	\$ 480	\$ 441
License and other fees	100	79	84	131	111
Adjusted EBITDA ^(c)					
Hotel Franchising segment	\$ 679	\$ 592	\$ 392	\$ 629	\$ 521
Hotel Management segment	37	57	13	66	47
Corporate and Other ^(d)	(66)	(59)	(69)	(74)	(55)
Total adjusted EBITDA ^(c)	\$ 650	\$ 590	\$ 336	\$ 621	\$ 513
Operating statistics:					
Total Company					
Number of properties ^(f)	9,059	8,950	8,941	9,280	9,157
Number of rooms ^(g)	842,500	810,100	795,900	831,000	809,900
RevPAR ^(h)	\$ 41.88	\$ 35.95	\$ 24.51	\$ 40.92	\$ 40.80
Average royalty rate ⁽ⁱ⁾	3.9%	4.1%	4.0%	3.8%	3.8%
United States					
Number of properties ^(f)	6,081	6,139	6,175	6,342	6,358
Number of rooms ^(g)	493,800	490,600	487,300	510,200	506,100
RevPAR ^(h)	\$ 50.72	\$ 45.19	\$ 30.20	\$ 46.39	\$ 45.30
Average royalty rate ⁽ⁱ⁾	4.6%	4.6%	4.5%	4.5%	4.5%

(a) In May 2018, we acquired La Quinta Holdings' hotel franchise and hotel-management business, spanning a portfolio of over 900 La Quinta-branded hotels.

(b) Reflects the impact of the adoption of the new accounting standard in 2020 for the measurement of credit losses on financial instruments and the 2019 accounting standard for lease accounting.

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- (c) “Adjusted EBITDA” is defined as net income/(loss) excluding net interest expense, depreciation and amortization, early extinguishment of debt charges, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition- or separation-related), (gain)/loss on asset sales, foreign currency impacts of highly inflationary countries, stock-based compensation expense, income taxes and development advance notes amortization. We believe that adjusted EBITDA is a useful measure of performance for our segments which, when considered with U.S. Generally Accepted Accounting Principles (“GAAP”) measures, allows a more complete understanding of our operating performance. We use this measure internally to assess operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of selected compensation decisions. Our presentation of adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. During the first quarter of 2021, the Company modified the definition of adjusted EBITDA to exclude the amortization of development advance notes to reflect how the Company’s chief operating decision maker reviews operating performance beginning in 2021. The Company has applied the modified definition of adjusted EBITDA to all periods presented.
- (d) Corporate and Other reflects unallocated corporate costs that are not attributable to an operating segment.
- (e) The reconciliation of net income/(loss) to adjusted EBITDA is as follows:

(in millions)	Year Ended December 31,				
	2022	2021	2020 ^(a)	2019 ^(a)	2018 ^(a)
Net income/(loss)	\$ 355	\$ 244	\$ (132)	\$ 157	\$ 162
Provision for/(benefit from) income taxes	121	91	(26)	50	61
Depreciation and amortization	77	95	98	109	99
Interest expense, net	80	93	112	100	60
Early extinguishment of debt	2	18	—	—	—
Stock-based compensation expense	33	28	19	15	9
Development advance notes amortization	12	11	9	8	7
Gain on asset sale, net	(35)	—	—	—	—
Separation-related expenses	1	3	2	22	77
Impairments, net	—	6	206	45	—
Restructuring costs	—	—	34	8	—
Transaction-related expenses, net	—	—	12	40	36
Contract termination costs	—	—	—	42	—
Transaction-related item	—	—	—	20	—
Foreign currency impact of highly inflationary countries	4	1	2	5	3
Adjusted EBITDA	<u>\$ 650</u>	<u>\$ 590</u>	<u>\$ 336</u>	<u>\$ 621</u>	<u>\$ 513</u>

(a) Adjusted EBITDA has been recasted to conform with the current year presentation. Amounts may not foot due to rounding.

- (f) Represents the number of hotels at the end of the period.
- (g) Represents the number of rooms at the end of the period which are (i) either under franchise and/or management agreements and (ii) properties under affiliation agreements for which the Company receives a fee for reservation and/or other services provided.
- (h) Represents revenue per available room and is calculated by multiplying the average occupancy rate by the average daily rate.
- (i) Represents the average royalty rate earned on our franchised properties and is calculated by dividing total royalties, excluding the impact of amortization of development advance notes, by total room revenues.

In presenting the financial data above in conformity with U.S. GAAP, we are required to make estimates and assumptions that affect the amounts reported. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Condition, Liquidity and Capital Resources—Critical Accounting Policies,” for a detailed discussion of the accounting policies that we believe require subjective and complex judgments that could potentially affect reported results.

DEVELOPMENT

We awarded 882 new contracts this year, a 35% increase compared to the 655 contracts we awarded during 2021. As of December 31, 2022, our global development pipeline consisted of over 1,700 hotels and approximately 219,000 rooms, of which approximately 73% is in the midscale and above segments (56% in the U.S.). Our pipeline grew 12% compared to 2021, including 34% growth in the U.S. As of December 31, 2022, approximately 60% of our development pipeline was international and over 80% was new construction, of which approximately 36% had broken ground. The pipeline includes 170 new contracts awarded for the Company's ECHO Suites Extended Stay by Wyndham brand since its launch in March 2022.

RESTRUCTURING

During 2020, we incurred \$34 million of charges related to restructuring initiatives implemented in response to COVID-19. These initiatives resulted in a reduction of 846 employees and were comprised primarily of employee separation and facility closure costs. In addition, during 2019, we implemented restructuring initiatives, primarily focused on enhancing

our organizational efficiency and rationalizing our operations. During 2020, we paid \$30 million in restructuring payments relating to our 2019 and 2020 plans. As of December 31, 2020, we had a \$10 million liability related to our 2020 restructuring plans which was paid in 2021.

For a comparative review of the consolidated results of operations of our Company and reportable segments for the fiscal years ended December 31, 2021 and 2020, refer to Part II, Item 7 of our Annual Report on Form 10-K filed with the SEC on February 16, 2022.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

	Year Ended December 31,		
	2022	2021	Change
Total assets	\$ 4,123	\$ 4,269	\$(146)
Total liabilities	3,161	3,180	(19)
Total stockholders' equity	962	1,089	(127)

Total assets decreased \$146 million from December 31, 2021 to December 31, 2022 primarily due to a \$154 million reduction in assets held for sale due to the completion of the sales of our two owned hotels and an \$84 million reduction in intangible assets related to the exit of our select-service management business, both of which occurred in the first half of 2022. Such reductions were partially offset by a \$53 million increase in the value of our interest rate swaps and a \$44 million increase to intangible assets related to the Vienna House acquisition. Total liabilities decreased \$19 million year-over-year primarily due to a reduction in liabilities held for sale as a result of the owned hotel sales. Total equity decreased \$127 million year-over-year primarily due to \$445 million of stock repurchases and \$116 million of dividend payments, partially offset by the net income we generated in the year and a \$53 million increase in accumulated other comprehensive income primarily associated with the increase in the value of our interest rate swaps.

Liquidity and Capital Resources

Historically, our business generates sufficient cash flow to not only support our current operations as well as our future growth needs and dividend payments to our stockholders, but also to create additional value for our stockholders in the form of share repurchases and business investment.

As of December 31, 2022, our liquidity approximated \$900 million. Given the minimal capital needs and flexible cost structure of our business, we believe that our existing cash, cash equivalents, cash generated through operations and our expected access to financing facilities, together with funding through our revolving credit facility, will be sufficient to fund our operating activities, anticipated capital expenditures and growth needs.

In April 2022, we amended our \$750 million revolving credit facility, extending the maturity from May 2023 to April 2027 on similar terms as the previous facility, and issued a new \$400 million senior secured term loan A facility, which matures in April 2027. The proceeds from the term loan A were used to repay a portion of our \$1.6 billion term loan B facility, which is scheduled to mature in May 2025. There was no increase in rates from the \$1.6 billion term loan B facility to the new term loan A.

As of December 31, 2022, we were in compliance with the financial covenants of our credit agreement and expect to remain in such compliance. As of December 31, 2022, we had a term loan B with a principal outstanding balance of \$1.1 billion maturing in 2025, a term loan A with a principal outstanding balance of \$400 million maturing in 2027 and a five-year revolving credit facility maturing in 2027 with a maximum aggregate principal amount of \$750 million, of which none was outstanding and \$9 million was allocated to outstanding letters of credit.

The interest rate per annum applicable to our term loan B is equal to, at our option, either a base rate plus a margin of 0.75% or LIBOR plus a margin of 1.75%. Our revolving credit facility and term loan A are subject to an interest rate per annum equal to, at our option, either a base rate plus a margin ranging from 0.50% to 1.00% or the Secured Overnight Funding Rate ("SOFR") plus a 0.10% SOFR adjustment, plus a margin ranging from 1.50% to 2.00%, in either case based upon the total leverage ratio of the Company and its restricted subsidiaries.

As of December 31, 2022, \$1.1 billion of our term loan B is hedged with pay-fixed/receive-variable interest rate swaps hedging our term loan interest rate exposure. The aggregate fair value of these interest rate swaps was a \$53 million asset as of December 31, 2022.

The Federal Reserve has established the Alternative Reference Rates Committee to identify alternative reference rates for when the U.S. dollar LIBOR ceases to exist after June 2023. Our credit facility, as amended in April 2022, includes our revolving credit facility and term loans A and B. The revolver and term loan A are both based on SOFR. For the pre-existing term loan B, the credit facility gives us the option to use LIBOR as a base rate and our interest rate swaps are based on the one-month U.S. dollar LIBOR rate. In the event that LIBOR is no longer published, the credit facility allows us and the administrative agent of the facility to replace LIBOR with an alternative benchmark rate, subject to the right of the majority of the lenders to object thereto. In addition, the International Swaps and Derivatives Association issued protocols to allow swap parties to amend their existing contracts, though our existing swaps will continue to reference LIBOR for the foreseeable future.

As of December 31, 2022, our credit rating was Ba1 from Moody's Investors Service and BB+ from Standard and Poor's Rating Agency. A credit rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Reference in this report to any such credit rating is intended for the limited purpose of discussing or referring to aspects of our liquidity and of our costs of funds. Any reference to a credit rating is not intended to be any guarantee or assurance of, nor should there be any undue reliance upon, any credit rating or change in credit rating, nor is any such reference intended as any inference concerning future performance, future liquidity or any future credit rating.

Our liquidity and access to capital may be impacted by our credit ratings, financial performance and global credit market conditions. We believe that our existing cash, cash equivalents, cash generated through operations and our expected access to financing facilities, together with funding through our revolving credit facility, will be sufficient to fund our operating activities, anticipated capital expenditures and growth needs.

CASH FLOW

The following table summarizes the changes in cash, cash equivalents and restricted cash during the years ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,		
	2022	2021	2020
Cash provided by/(used in)			
Operating activities	\$ 399	\$ 426	\$ 67
Investing activities	179	(34)	(31)
Financing activities	(584)	(713)	363
Effects of changes in exchange rates on cash, cash equivalents and restricted cash	(4)	(1)	—
Net change in cash, cash equivalents and restricted cash	<u>\$ (10)</u>	<u>\$ (322)</u>	<u>\$ 399</u>

During 2022, net cash provided by operating activities decreased \$27 million compared to the prior year primarily due to higher development advances provided to franchisees in support of system growth, as well as the impact from the sale of our two owned hotels and the exit of our select-service management business and lower cash collected from 2020 COVID-19 related fee deferrals. Net cash provided by investing activities increased \$213 million compared to the prior year, primarily due to the proceeds from the sales of our two owned hotels and the termination fee received from CorePoint Lodging associated with the exit of our select-service management business, partially offset by \$44 million of cash used for the acquisition of the Vienna House brand. Net cash used in financing activities decreased \$129 million compared to the prior year primarily due to the absence of cash used for the redemption of our \$500 million 5.375% senior unsecured notes in 2021, partially offset by a \$341 million increase in stock repurchases and a \$34 million increase in dividend payments.

During 2021, net cash provided by operating activities increased \$359 million compared to the prior year primarily due to higher net income (excluding non-cash impairments and depreciation expense) in 2021 as well as favorable collections experience, including collection of fee deferrals related to COVID-19 and working capital management, partially offset by \$14 million of higher net payments for development advance notes. Net cash used in investing activities increased \$3 million compared to the prior year, primarily due to higher property and equipment additions. Net cash used in financing activities increased \$1.1 billion compared to the prior year. This change reflects borrowing activities in 2020 out of an abundance of caution in connection with the pandemic and repayment activities in 2021 as our business began to experience recovery.

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Specifically, in 2020, we issued \$500 million of 4.375% senior unsecured notes; while in 2021, we redeemed \$500 million of higher-cost, nearer maturity debt effectively replacing it with the August 2020 issuance of lower-cost, longer maturity debt.

Capital Deployment

Our first priority is to invest in the business. This includes deploying capital to attract high quality assets into our system, investing in select technology improvements across our business that further our strategic objectives and competitive position, brand refresh programs to improve quality and protect brand equity, business acquisitions that are accretive and strategically enhancing to our business, and/or other strategic initiatives. We also expect to maintain a regular dividend payment. Excess cash generated beyond these needs is expected to be available for enhanced stockholder return in the form of stock repurchases or potential acquisitions from time to time.

During 2022, we spent \$39 million on capital expenditures, primarily related to information technology, including digital innovation. During 2023, we anticipate spending approximately \$35 million on capital expenditures.

In addition, during 2022, we spent \$48 million, net of repayments, on development advance notes. During 2023, we anticipate spending approximately \$60 million on development advance notes. We may also provide other forms of financial support such as enhanced credit support to further assist in the growth of our business.

We expect all our cash needs to be funded from cash on hand and cash generated through operations, and/or availability under our revolving credit facility and, if needed and available, new debt incurrence.

Contractual Obligations

Material contractual obligations arising in the normal course of business primarily consist of long-term debt and related interest payments, purchase commitments and lease payments. See Note 13 - Long-Term Debt and Borrowing Arrangements and Note 20 - Leases to the Consolidated Financial Statements contained in Part IV of this report for more information. As of December 31, 2022, we had future long-term interest payment obligations of approximately \$337 million of which \$94 million is payable within twelve months. We have purchase commitments primarily consisting of non-cancelable obligations for marketing and technology related services. As of December 31, 2022, we had purchase commitments of \$140 million of which \$57 million is payable within twelve months.

Stock Repurchase Program

In May 2018, our Board approved a share repurchase plan pursuant to which we were authorized to purchase up to \$300 million of our common stock. In August 2019, the Board increased the capacity of the program by \$300 million. Our Board increased the capacity of the program by \$400 million in February 2022 and an additional \$400 million in October 2022. Under the plan, we may, from time to time, purchase our common stock through various means, including, without limitation, open market transactions, privately negotiated transactions or tender offers, subject to the terms of the tax matters agreement entered into in connection with our spin-off.

Under our current stock repurchase program, we repurchased approximately 6.2 million shares at an average price of \$71.70 per share for a cost of \$445 million during 2022. Since inception, we repurchased 15.2 million shares at an average price of \$63.32 per share for a cost of \$964 million. As of December 31, 2022, we had \$436 million of remaining availability under our program.

Dividend Policy

We declared cash dividends of \$0.32 per share in each of the first, second, third and fourth quarters of 2022 (\$116 million in aggregate), which is consistent with our pre-pandemic quarterly dividend per share. In February 2023, the Board approved an increase in the quarterly cash dividend to \$0.35 per share.

The declaration and payment of future dividends to holders of our common stock is at the discretion of our Board and depends upon many factors, including our financial condition, earnings, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that our Board deems relevant.

Foreign Earnings

Although the one-time mandatory deemed repatriation tax during 2017 and the territorial tax system created as a result of U.S. tax reform generally eliminate U.S. federal income taxes on dividends from foreign subsidiaries, we continue to assert

that all of our undistributed foreign earnings of \$48 million will be reinvested indefinitely as of December 31, 2022. In the event the Company determines not to continue to assert that all or part of its undistributed foreign earnings are permanently reinvested, such a determination in the future could result in the accrual and payment of additional foreign withholding taxes and U.S. taxes on currency transaction gains and losses, the determination of which is not practicable due to the complexities associated with the hypothetical calculation.

LONG-TERM DEBT COVENANTS

Our credit facilities contain customary covenants that, among other things, impose limitations on indebtedness; liens; mergers, consolidations, liquidations and dissolutions; dispositions, restricted debt payments, restricted payments and transactions with affiliates. Events of default in these credit facilities include, among others, failure to pay interest, principal and fees when due; breach of a covenant or warranty; acceleration of or failure to pay other debt in excess of a threshold amount; unpaid judgments in excess of a threshold amount, insolvency matters; and a change of control. The credit facilities require us to comply with a financial covenant to be tested quarterly, consisting of a maximum first-lien leverage ratio of 5.0 times. The ratio is calculated by dividing consolidated first lien indebtedness (as defined in the credit agreement) net of consolidated unrestricted cash as of the measurement date by consolidated EBITDA (as defined in the credit agreement), as measured on a trailing four-fiscal-quarter basis preceding the measurement date. As of December 31, 2022, our first-lien leverage ratio was 2.2 times.

The indenture, as supplemented, under which the senior notes due 2028 were issued, contains covenants that limit, among other things, our ability and that of certain of our subsidiaries to (i) create liens on certain assets; (ii) enter into sale and leaseback transactions; and (iii) merge, consolidate or sell all or substantially all of our assets. These covenants are subject to a number of important exceptions and qualifications.

As of December 31, 2022, we were in compliance with the financial covenants described above.

SEASONALITY

While the hotel industry is seasonal in nature, periods of higher revenues vary property-by-property and performance is dependent on location and guest base. Based on historical performance, revenues from franchise and management contracts are generally higher in the second and third quarters than in the first or fourth quarters due to increased leisure travel during the spring and summer months. Our cash from operating activities may not necessarily follow the same seasonality as our revenues and may vary due to timing of working capital requirements and other investment activities. The seasonality of our business may cause fluctuations in our quarterly operating results, earnings, profit margins and cash flows. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

COMMITMENTS AND CONTINGENCIES

We are involved in claims, legal and regulatory proceedings and governmental inquiries related to our business. Litigation is inherently unpredictable and, although we believe that our accruals are adequate and/or that we have valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to us with respect to earnings and/or cash flows in any given reporting period. As of December 31, 2022, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to approximately \$3 million in excess of recorded accruals. However, we do not believe that the impact of such litigation should result in a material liability to us in relation to our financial position or liquidity. For a more detailed description of our commitments and contingencies see Note 15 - Commitments and Contingencies to the Consolidated Financial Statements contained in Part IV of this report.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

In presenting our financial statements in conformity with U.S. GAAP, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material impact to our consolidated results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. Presented below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results. However, the majority of our business activities are in environments where we are paid a fee for a service performed, and therefore the results of the majority of our

recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex.

Impairment of Long-Lived Assets

Goodwill is reviewed annually (during the fourth quarter of each year subsequent to completing our annual forecasting process), or more frequently if circumstances indicate that the value of goodwill may be impaired, to the reporting units' carrying values as required by the guidance. This is done either by performing a qualitative assessment or utilizing the one-step impairment test, with an impairment being recognized only where the fair value is less than carrying value. In any given year, we can elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value is in excess of the carrying value, or we elect to bypass the qualitative assessment, we would use the one-step impairment test. The qualitative factors evaluated include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, our historical share price as well as other industry-specific considerations.

We also determine whether the carrying values of other indefinite-lived intangible assets are impaired on an annual basis or more frequently if indicators of potential impairment exist. Application of the other indefinite-lived intangible assets impairment test requires judgment in the assumptions underlying the approach used to determine fair value. The fair value of each other indefinite-lived intangible asset is estimated using a discounted cash flow methodology. This analysis requires significant judgments, including estimation of future cash flows, which are dependent on internal forecasts, discount rates and to a lesser extent, estimation of long-term rates of growth. The estimates used to calculate the fair value of other indefinite-lived intangible assets change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and the other indefinite-lived intangible assets' impairment.

We also evaluate the recoverability of each of our definite-lived intangible assets by performing a qualitative assessment to determine if circumstances indicate that impairment may have occurred. If such circumstances exist, we perform a quantitative assessment by comparing the respective carrying value of the assets to the expected future cash flows, on an undiscounted basis, to be generated from such assets.

We also evaluate the recoverability of our other long-lived assets, including property and equipment, if circumstances indicate impairment may have occurred, pursuant to guidance for impairment or disposal of long-lived assets. This analysis is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. Property and equipment is evaluated separately within each segment. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value.

Loyalty Program

We operate the Wyndham Rewards loyalty program. Wyndham Rewards members primarily accumulate points by staying in hotels operated under one of our brands. Wyndham Rewards members may also accumulate points by purchasing everyday services and products with their Wyndham Rewards co-branded credit card.

We earn revenue from these programs (i) when a member stays at a participating hotel or club resort or vacation rental from a fee charged by us to the property owner or manager, which is based upon a percentage of room revenues generated from such stay which we recognize, net of redemptions, over time based upon loyalty point redemption patterns, including an estimate of loyalty points that will expire or will never be redeemed, and (ii) based upon a percentage of the member's spending on the Wyndham Rewards co-branded credit cards for which revenues are paid to us by a third-party issuing bank which we primarily recognize over time based upon the redemption patterns of the loyalty points earned under the program, including an estimate of loyalty points that will expire or will never be redeemed.

As members earn points through the Wyndham Rewards loyalty program, we record a liability for the estimated future redemption costs, which is calculated based on (i) an estimated cost per point and (ii) an estimated redemption rate of the overall points earned, which is determined with the assistance of a third-party actuarial firm through historical experience, current trends and the use of an actuarial analysis.

Income Taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities using currently enacted tax rates. We regularly review our deferred tax

assets to assess their potential realization and establish a valuation allowance for portions of such assets that we believe will not be ultimately realized. In performing this review, we make estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax planning strategies. A change in these assumptions may increase or decrease our valuation allowance resulting in an increase or decrease in our effective tax rate, which could materially impact our results of operations.

For tax positions we have taken or expect to take in our tax return, we apply a more likely than not threshold, under which we must conclude a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to recognize or continue to recognize the benefit. In determining our provision for income taxes, we use judgment, reflecting our estimates and assumptions, in applying the more likely than not threshold.

RECENTLY ADOPTED AND NEW ACCOUNTING PRONOUNCEMENTS

For a detailed description of recently adopted and new accounting pronouncements see Note 2 - Summary of Significant Accounting Policies to the Consolidated Financial Statements contained in Part IV of this report.

OFF-BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet transactions, arrangements or other relationships with unconsolidated entities or other persons in 2022, 2021 and 2020 that have, or are reasonably likely to have, a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We use various financial instruments, including interest swap contracts, to reduce the interest rate risk related to our debt. We also use foreign currency forwards to manage and reduce the foreign currency exchange rate risk associated with our foreign currency denominated receivables and payables, forecasted royalties, forecasted earnings and cash flows of foreign subsidiaries and other transactions.

We are exclusively an end user of these instruments, which are commonly referred to as derivatives. We do not engage in trading, market making or other speculative activities in the derivatives markets. More detailed information about these financial instruments is provided in Note 14 - Fair Value to the Consolidated Financial Statements contained in Part IV of this report. Our principal market exposures are interest and currency exchange rate risks.

We assess our exposures to changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact in earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest rates. Our variable-rate borrowings, which include our term loan, a portion of which has been swapped to a fixed interest rate, and any borrowings we make under our revolving credit facility, expose us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable-rate borrowings, net of swaps, was \$444 million as of December 31, 2022. A hypothetical 10% change in our effective weighted average interest rate on our variable-rate borrowings would result in a \$2 million increase or decrease to our annual long-term debt interest expense, and a one-point change in the underlying interest rates would result in approximately a \$4 million increase or decrease in our annual interest expense.

The fair values of cash and cash equivalents, trade receivables, accounts payable and accrued expenses and other current liabilities approximate their carrying values due to the short-term nature of these assets and liabilities.

We have foreign currency rate exposure to exchange rate fluctuations worldwide, particularly with respect to the Canadian Dollar, the Chinese Yuan, the Euro, the Brazilian Real and the Argentine Peso. We anticipate that such foreign currency exchange rate risk will remain a market risk exposure for the foreseeable future.

We use a current market pricing model to assess the changes in the value of our foreign currency derivatives used by us to hedge underlying exposure that primarily consists of our non-functional-currency current assets and liabilities. The primary assumption used in these models is a hypothetical 10% weakening or strengthening of the U.S. dollar against all our currency exposures as of December 31, 2022. The gains and losses on the hedging instruments are largely offset by the gains and losses on the underlying assets, liabilities or expected cash flows. As of December 31, 2022, the absolute notional amount of our outstanding foreign exchange hedging instruments was \$182 million. We have determined through such analyses, that a hypothetical 10% change in foreign currency exchange rates would have resulted in approximately an \$11 million increase or

decrease to the fair value of our outstanding forward foreign currency exchange contracts, which would generally be offset by an opposite effect on the underlying exposure being economically hedged.

Argentina is considered to be a highly inflationary economy. As of December 31, 2022, we had total net assets of \$2 million in Argentina.

Our total market risk is influenced by a wide variety of factors including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses presented. While probably the most meaningful analysis, these “shock tests” are constrained by several factors, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled.

Item 8. Financial Statements and Supplementary Data.

The financial statements required to be filed pursuant to this Item 8 are appended to this Annual Report on Form 10-K. A list of the financial statements filed herewith is found in Part IV, Item 15 commencing on page F-1 hereof.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures. Our management, with the participation of our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, our principal executive and principal financial officers have concluded that, as of the end of such period, our disclosure controls and procedures were effective and operating to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022. In making this assessment, management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on this assessment, our management believes that, as of December 31, 2022, our internal control over financial reporting is effective. Our independent registered public accounting firm has issued an attestation report on the effectiveness of our internal control over financial reporting, which is included within their audit opinion on page F-2.

There have been no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the most recent fiscal quarter to which this report relates that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not Applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance.**

Except as otherwise disclosed in Part I of this Annual Report on Form 10-K under the caption “Information About Our Executive Officers”, the information required by this item is included in the Proxy Statement for our 2023 Annual Meeting of Stockholders and is incorporated by reference in this report.

Item 11. Executive Compensation.

The information required by this item is included in the Proxy Statement under the captions “Compensation of Directors”, “Executive Compensation” and “Committees of the Board” and is incorporated by reference in this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Equity compensation plan information as of December 31, 2022:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by security holders	2.6 million ^(a)	\$55.90 ^(b)	5.2 million ^(c)
Equity compensation plans not approved by security holders	None	Not applicable	Not applicable

(a) Consists of shares issuable upon exercise of stock settled stock options, restricted stock units, deferred stock units and performance vested restricted stock units at the maximum achievement level under the 2018 Equity and Incentive Plan.

(b) Consists of weighted-average exercise price of outstanding stock settled stock options.

(c) Consists of shares available for future grants under the 2018 Equity and Incentive Plan.

The remaining information required by this item is included in the Proxy Statement under the caption “Ownership of Company Stock” and is incorporated by reference in this report.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is included in the Proxy Statement under the captions “Related Party Transactions” and “Governance of the Company” and is incorporated by reference in this report.

Item 14. Principal Accountant Fees and Services.

The information required by this item is included in the Proxy Statement under the captions “Disclosure About Fees” and “Pre-Approval of Audit and Non-Audit Services” and is incorporated by reference in this report.

PART IV

Item 15. Exhibit and Financial Statement Schedules.

Item 15 (a)(1) Financial Statements.

See Financial Statements and Financial Statements Index commencing on page F-1 hereof.

Item 15 (a)(3) Exhibits.

See Exhibit Index commencing on page G-1 hereof.

Item 16. Form 10-K Summary.

None.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Wyndham Hotels & Resorts, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Wyndham Hotels & Resorts, Inc. and subsidiaries (the “Company”) as of December 31, 2022 and 2021, the related consolidated statements of income (loss), comprehensive income (loss), equity, and cash flows, for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management’s Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on these financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Deferred Revenues and Liability – Wyndham Rewards Loyalty Program – Refer to Notes 2 and 3 to the financial statements

Critical Audit Matter Description

The Company operates the Wyndham Rewards loyalty program under which members earn points that can be redeemed for free nights or other rewards. Wyndham Rewards members primarily accumulate points by staying at a participating hotel, club resort, or vacation rental or by making purchases with their Wyndham Rewards co-branded credit card. Revenues related to the issuance of loyalty points are recognized net of redemptions over time based upon loyalty point redemption patterns, including an estimate of loyalty points that will expire or will never be redeemed. In addition, the Company records a liability for estimated future redemption costs of outstanding loyalty points.

The Company estimates the value of the deferred revenues and related liability (collectively referred to as the “liability”) related to the loyalty program based on (i) an estimated cost per point and (ii) an estimated redemption rate of the overall points earned, which is determined with the assistance of a third-party actuarial firm through historical experience, current trends and the use of an actuarial analysis, and includes an estimate of the points that will expire or will never be redeemed. Changes in the estimated cost per point and/or the estimated redemption rate used in the determination of the liability could result in a material change to the amount of liability reported.

We identified the estimated cost per point and the estimated redemption rate used in the determination of the liability as a critical audit matter because of the significant judgments made by management to estimate the cost per point and the redemption rate. This required a high degree of auditor judgment and an increased extent of effort, including the involvement of our actuarial specialists, when performing audit procedures to evaluate the reasonableness of management’s estimates and assumptions related to the selection of the estimated cost per point and the estimated redemption rate.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the estimated cost per point and estimated redemption rate used in the determination of the liability included the following, among others:

- We tested the effectiveness of the controls related to the liability, including those over the estimate of the cost per point and the estimate of the redemption rate.
- We evaluated the assumptions used by management to estimate the cost per point by:
 - Testing the underlying data that served as the inputs for the historical cost per point, including historical redemptions.
 - Discussing with management the assumptions used in the Company’s estimated future cost per point and evaluating the reasonableness by comparing the projections to (1) forecasted information included in industry reports, and (2) trends in Wyndham Rewards member behavior.
 - Comparing management’s prior-year estimated cost per point to actual redemptions during the current year to identify potential bias in the determination of the liability.
 - Evaluating whether the assumptions used by management to estimate the cost per point were consistent with evidence obtained in other areas of the audit.
- We evaluated the assumptions used by management to estimate the redemption rate by:
 - Testing the underlying data that served as the inputs for the actuarial analysis of the estimated redemption rate, including earnings and redemptions.
 - Evaluating whether any approved changes to the Wyndham Rewards loyalty program have been appropriately considered in the actuarial analysis of the estimated redemption rate.
 - Comparing management’s prior-year estimated redemption rate to actual redemptions during the current year to identify potential bias in the determination of the liability.
- With the assistance of our actuarial specialists, we developed a range of independent estimates of the liability, utilizing the same underlying data tested above, and compared our estimates to management’s estimates.

/s/ Deloitte & Touche LLP
New York, New York
February 16, 2023

We have served as the Company’s auditor since 2017.

WYNDHAM HOTELS & RESORTS, INC.
CONSOLIDATED STATEMENTS OF INCOME/(LOSS)
(In millions, except per share amounts)

	Year Ended December 31,		
	2022	2021	2020
Net revenues			
Royalties and franchise fees	\$ 512	\$ 461	\$ 328
Marketing, reservation and loyalty	544	468	370
Management and other fees	57	117	64
License and other fees	100	79	84
Other	141	120	104
Fee-related and other revenues	1,354	1,245	950
Cost reimbursements	144	320	350
Net revenues	1,498	1,565	1,300
Expenses			
Marketing, reservation and loyalty	524	450	419
Operating	106	132	109
General and administrative	123	113	116
Cost reimbursements	144	320	350
Depreciation and amortization	77	95	98
Gain on asset sale, net	(35)	—	—
Separation-related	1	3	2
Impairments, net	—	6	206
Restructuring	—	—	34
Transaction-related, net	—	—	12
Total expenses	940	1,119	1,346
Operating income/(loss)	558	446	(46)
Interest expense, net	80	93	112
Early extinguishment of debt	2	18	—
Income/(loss) before income taxes	476	335	(158)
Provision for/(benefit from) income taxes	121	91	(26)
Net income/(loss)	\$ 355	\$ 244	\$ (132)
Earnings/(loss) per share			
Basic	\$ 3.93	\$ 2.61	\$ (1.42)
Diluted	3.91	2.60	(1.42)

See Notes to Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(In millions)

	Year Ended December 31,		
	2022	2021	2020
Net income/(loss)	\$ 355	\$ 244	\$ (132)
Other comprehensive income/(loss), net of tax			
Foreign currency translation adjustments	(5)	—	3
Unrealized gains/(losses) on cash flow hedges	58	37	(28)
Other comprehensive income/(loss), net of tax	<u>53</u>	<u>37</u>	<u>(25)</u>
Comprehensive income/(loss)	<u>\$ 408</u>	<u>\$ 281</u>	<u>\$ (157)</u>

See Notes to Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 161	\$ 171
Trade receivables, net	234	246
Prepaid expenses	59	51
Other current assets	91	98
Assets held for sale	—	154
Total current assets	545	720
Property and equipment, net	99	106
Goodwill	1,525	1,525
Trademarks, net	1,232	1,202
Franchise agreements and other intangibles, net	374	473
Other non-current assets	348	243
Total assets	<u>\$ 4,123</u>	<u>\$ 4,269</u>
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 20	\$ 21
Accounts payable	39	31
Deferred revenues	83	70
Accrued expenses and other current liabilities	264	258
Liabilities held for sale	—	17
Total current liabilities	406	397
Long-term debt	2,057	2,063
Deferred income taxes	345	366
Deferred revenues	164	165
Other non-current liabilities	189	189
Total liabilities	3,161	3,180
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, \$0.01 par value, authorized 6.0 shares, none issued and outstanding	—	—
Common stock, \$0.01 par value, 101.6 and 101.3 issued at December 31, 2022 and 2021	1	1
Treasury stock, at cost – 15.2 and 9.0 shares at December 31, 2022 and 2021	(964)	(519)
Additional paid-in capital	1,569	1,543
Retained earnings	318	79
Accumulated other comprehensive income/(loss)	38	(15)
Total stockholders' equity	962	1,089
Total liabilities and stockholders' equity	<u>\$ 4,123</u>	<u>\$ 4,269</u>

See Notes to Consolidated Financial Statements.
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WYNDHAM HOTELS & RESORTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2022	2021	2020
Operating activities			
Net income/(loss)	\$ 355	\$ 244	\$ (132)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:			
Depreciation and amortization	77	95	98
(Recovery of)/provision for doubtful accounts	(2)	21	37
Impairments, net	—	6	209
Deferred income taxes	(39)	(1)	(23)
Stock-based compensation	33	28	21
Gain on asset sale, net	(35)	—	—
Loss on early extinguishment of debt	2	18	—
Net change in assets and liabilities:			
Trade receivables	16	25	(38)
Prepaid expenses	(6)	(9)	3
Other current assets	(3)	(45)	1
Accounts payable, accrued expenses and other current liabilities	14	39	(46)
Deferred revenues	22	16	(54)
Payments of development advance notes	(52)	(32)	(17)
Proceeds from development advance notes	4	2	1
Other, net	13	19	7
Net cash provided by operating activities	399	426	67
Investing activities			
Property and equipment additions	(39)	(37)	(33)
Acquisition of hotel brand	(44)	—	—
Loan advances	—	—	(1)
Loan repayments	—	3	3
Proceeds from asset sales, net	263	—	—
Other, net	(1)	—	—
Net cash provided by/(used in) investing activities	179	(34)	(31)
Financing activities			
Proceeds from borrowings	400	45	1,244
Principal payments on long-term debt	(404)	(574)	(760)
Finance lease payments	(5)	(5)	(5)
Debt issuance costs	(4)	—	(10)
Dividends to stockholders	(116)	(82)	(53)
Repurchases of common stock	(448)	(107)	(50)
Exercise of stock options	4	17	—
Net share settlement of incentive equity awards	(11)	(7)	(4)
Other, net	—	—	1
Net cash (used in)/provided by financing activities	(584)	(713)	363
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(4)	(1)	—
Net (decrease)/increase in cash, cash equivalents and restricted cash	(10)	(322)	399
Cash, cash equivalents and restricted cash, beginning of period	171	493	94
Cash, cash equivalents and restricted cash, end of period	<u>\$ 161</u>	<u>\$ 171</u>	<u>\$ 493</u>

See Notes to Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(In millions)

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings/(Accumulated Deficit)	Accumulated Other Comprehensive Income/(Loss)	Total Equity
Balance as of December 31, 2019	94	\$ 1	\$ (363)	\$ 1,488	\$ 113	\$ (27)	\$ 1,212
Net loss	—	—	—	—	(132)	—	(132)
Other comprehensive loss	—	—	—	—	—	(25)	(25)
Dividends	—	—	—	—	(53)	—	(53)
Repurchase of common stock	(1)	—	(45)	—	—	—	(45)
Net share settlement of incentive equity awards	—	—	—	(4)	—	—	(4)
Change in deferred compensation	—	—	—	21	—	—	21
Cumulative effect of change in accounting standard	—	—	—	—	(10)	—	(10)
Other	—	—	—	(1)	—	—	(1)
Balance as of December 31, 2020	93	1	(408)	1,504	(82)	(52)	963
Net income	—	—	—	—	244	—	244
Other comprehensive income	—	—	—	—	—	37	37
Dividends	—	—	—	—	(83)	—	(83)
Repurchase of common stock	(2)	—	(110)	—	—	—	(110)
Net share settlement of incentive equity awards	—	—	—	(7)	—	—	(7)
Change in deferred compensation	—	—	—	28	—	—	28
Exercise of stock options	—	—	—	17	—	—	17
Issuance of shares for restricted stock units vesting	1	—	—	—	—	—	—
Other	—	—	(1)	1	—	—	—
Balance as of December 31, 2021	92	1	(519)	1,543	79	(15)	1,089
Net income	—	—	—	—	355	—	355
Other comprehensive income	—	—	—	—	—	53	53
Dividends	—	—	—	—	(116)	—	(116)
Repurchase of common stock	(6)	—	(445)	—	—	—	(445)
Net share settlement of incentive equity awards	—	—	—	(11)	—	—	(11)
Change in deferred compensation	—	—	—	33	—	—	33
Exercise of stock options	—	—	—	4	—	—	4
Balance as of December 31, 2022	86	\$ 1	\$ (964)	\$ 1,569	\$ 318	\$ 38	\$ 962

See Notes to Consolidated Financial Statements.

WYNDHAM HOTELS & RESORTS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except share and per share amounts)

1. BASIS OF PRESENTATION

Wyndham Hotels & Resorts, Inc. (collectively with its consolidated subsidiaries, “Wyndham Hotels” or the “Company”) is a leading global hotel franchisor, licensing its renowned hotel brands to hotel owners in over 95 countries around the world.

The Consolidated Financial Statements have been prepared on a stand-alone basis. The Consolidated Financial Statements include the Company’s assets, liabilities, revenues, expenses and cash flows and all entities in which it has a controlling financial interest. The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All intercompany balances and transactions have been eliminated in the Consolidated Financial Statements.

In presenting the Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates. In management’s opinion, the Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of annual results reported.

Business Description

The Company operates in the following segments:

- **Hotel Franchising** — licenses the Company’s lodging brands and provides related services to third-party hotel owners and others.
- **Hotel Management** — provides hotel management services for full-service hotels.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

When evaluating an entity for consolidation, the Company first determines whether an entity is within the scope of the guidance for consolidation of variable interest entities (“VIEs”) and if it is deemed to be a VIE. If the entity is considered to be a VIE, the Company determines whether it would be considered the entity’s primary beneficiary. The Company consolidates those VIEs for which it has determined that it is the primary beneficiary. The Company will consolidate an entity not deemed a VIE upon a determination that it has a controlling financial interest. For entities where the Company does not have a controlling financial interest, the investments in such entities are classified as available-for-sale securities or accounted for using the equity or cost method, as appropriate.

Use of Estimates and Assumptions

The preparation of the Consolidated Financial Statements requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the Consolidated Financial Statements and accompanying notes. Although these estimates and assumptions are based on Company’s knowledge of current events and actions it may undertake in the future, actual results may ultimately differ from estimates and assumptions.

Revenue Recognition

The principal source of revenues from franchising hotels is ongoing royalty, marketing and reservation fees, which are typically a percentage of gross room revenues of each franchised hotel. For a more detailed description of revenue recognition see Note 3 - Revenue Recognition.

Loyalty Program

The Company operates the Wyndham Rewards loyalty program. Loyalty members primarily accumulate points by staying in hotels operated under one of the Company’s brands. Wyndham Rewards members may also accumulate points by purchasing everyday services and products with their Wyndham Rewards co-branded credit card.

The Company earns revenue from these programs (i) when a member stays at a participating hotel or club resort or vacation rental from a fee charged by the Company to the property owner or manager, which is based upon a percentage of room revenues generated from such stay which the Company recognizes, net of redemptions, over time based upon loyalty point redemption patterns, including an estimate of loyalty points that will expire or will never be redeemed, and (ii) based upon a percentage of the member's spending on the Wyndham Rewards co-branded credit cards for which revenues are paid to the Company by a third-party issuing bank which the Company primarily recognizes over time based upon the redemption patterns of the loyalty points earned under the program, including an estimate of loyalty points that will expire or will never be redeemed.

As members earn points through the loyalty program, the Company records a liability for the estimated future redemption costs, which is calculated based on (i) an estimated cost per point and (ii) an estimated redemption rate of the overall points earned, which is determined with the assistance of a third-party actuarial firm through historical experience, current trends and the use of an actuarial analysis. The Company estimates the value of the future redemption obligations by projecting the timing of future point redemptions based on historical levels, including an estimate of the points that will expire or never be redeemed, and an estimate of the points members will eventually redeem. The recorded liability related to the program totals \$118 million and \$109 million as of December 31, 2022 and 2021, respectively, of which \$74 million and \$67 million, respectively, are included in accrued expenses and other current liabilities, and \$44 million and \$42 million, respectively, are included in other non-current liabilities on the Company's Consolidated Balance Sheets.

Cash and Cash Equivalents

The Company considers highly-liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Valuation of Accounts Receivable

The Company measures the expected credit losses of its receivables on a collective (pool) basis which aggregates receivables with similar risk characteristics and uses historical collection attrition rates for periods ranging from seven to ten years to estimate its expected credit losses. For a more detailed description of the valuation of accounts receivable see Note 5 - Accounts Receivable.

Advertising Expense

Advertising costs are expensed in the period incurred. Advertising expenses, which are primarily recorded within marketing and reservation expenses on the Consolidated Statements of Income/(Loss), were \$124 million, \$85 million and \$57 million in 2022, 2021 and 2020, respectively.

Property and Equipment

Property and equipment (including leasehold improvements) are recorded at cost, and presented net of accumulated depreciation and amortization. Depreciation, recorded as a component of depreciation and amortization on the Consolidated Statements of Income/(Loss), is calculated utilizing the straight-line method over the lesser of the lease terms or estimated useful lives of the related assets. Amortization of leasehold improvements, also recorded as a component of depreciation and amortization, is calculated utilizing the straight-line method over the lesser of the estimated benefit period of the related assets or the lease terms. Useful lives are generally up to 20 years for leasehold improvements and from three to seven years for furniture, fixtures and equipment.

The Company capitalizes the costs of software developed for internal use in accordance with the guidance for accounting for costs of computer software developed or obtained for internal use. Capitalization of software developed for internal use commences during the development phase of the project. The Company amortizes software developed or obtained for internal use on a straight-line basis over its estimated useful life, which is generally three to five years. Such amortization commences when the software is substantially ready for its intended use.

The net carrying value of software developed or obtained for internal use was \$56 million and \$52 million as of December 31, 2022 and 2021, respectively.

Impairment of Long-Lived Assets

Goodwill is reviewed annually (during the fourth quarter of each year subsequent to completing the Company's annual forecasting process), or more frequently if circumstances indicate that the value of goodwill may be impaired, to the reporting units' carrying values as required by the guidance. This is done either by performing a qualitative assessment or utilizing the

one-step impairment test, with an impairment being recognized only where the fair value is less than carrying value. In any given year, the Company can elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value is in excess of the carrying value, or the Company elects to bypass the qualitative assessment, the Company would use the one-step impairment test. The qualitative factors evaluated include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, its historical share price as well as other industry-specific considerations. The Company performed its annual quantitative assessment for impairment on each reporting unit's goodwill as of October 1, 2022 and determined that no impairments existed and that it was more likely than not that the fair value of its reporting units continued to substantially exceed their carrying values.

The Company also determines whether the carrying values of other indefinite-lived intangible assets are impaired on an annual basis or more frequently if indicators of potential impairment exist. Application of the other indefinite-lived intangible assets impairment test requires judgment in the assumptions underlying the approach used to determine fair value. The fair value of each other indefinite-lived intangible asset is estimated using a discounted cash flow methodology. This analysis requires significant judgments, including estimation of future cash flows, which are dependent on internal forecasts, discount rates and to a lesser extent, estimation of long-term rates of growth. The estimates used to calculate the fair value of other indefinite-lived intangible assets change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and the other indefinite-lived intangible assets' impairment. The Company performed its annual quantitative assessment for impairment on its indefinite-lived intangible assets as of October 1, 2022 and determined that no impairments existed and that it was more likely than not that the fair value of its indefinite-lived intangible assets continued to exceed their carrying values.

The Company also evaluates the recoverability of each of its definite-lived intangible assets by performing a qualitative assessment to determine if circumstances indicate that impairment may have occurred. If such circumstances exist, the Company performs a quantitative assessment by comparing the respective carrying value of the assets to the expected future cash flows, on an undiscounted basis, to be generated from such assets.

The Company also evaluates the recoverability of its other long-lived assets, including property and equipment, if circumstances indicate impairment may have occurred, pursuant to guidance for impairment or disposal of long-lived assets. This analysis is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value.

Business Combinations

The Company accounts for business combinations in accordance with the guidance for business combinations and related literature. Accordingly, the Company allocates the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed based upon their estimated fair values at the date of purchase. The difference between the purchase price and the fair value of the net assets acquired is recorded as goodwill.

In determining the fair values of assets acquired and liabilities assumed in a business combination, the Company uses various recognized valuation methods including present value modeling and referenced market values, where available. Further, the Company makes assumptions within certain valuation techniques including discount rates and timing of future cash flows. Valuations are performed by management or external valuation specialists under management's supervision, where appropriate. The Company believes that the estimated fair values assigned to the assets acquired and liabilities assumed are based on reasonable assumptions that marketplace participants would use. However, such assumptions are inherently uncertain and actual results could differ from those estimates.

Income Taxes

The Company recognizes deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities using currently enacted tax rates. The Company regularly reviews its deferred tax assets to assess their potential realization and establishes a valuation allowance for portions of such assets that the Company believes will not be ultimately realized. In performing this review, the Company makes estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax planning strategies. A change in these assumptions may increase or decrease the Company's valuation allowance resulting in an increase or decrease in its effective tax rate, which could materially impact the Company's results of operations.

For tax positions the Company has taken or expects to take in a tax return, it applies a more likely than not threshold, under which the Company must conclude a tax position is more likely than not to be sustained, based on the technical merits, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to recognize or continue to recognize the benefit. In determining the Company's provision for income taxes, the Company uses judgment, reflecting its estimates and assumptions, in applying the more likely than not threshold.

The Company accounts for the global intangible low-taxed income provisions under the period cost method.

Stock-Based Compensation

In accordance with the guidance for stock-based compensation, the Company measures all employee stock-based compensation awards using a fair value method and records the related expense in its Consolidated Statements of Income/(Loss).

The Company recognizes the cost of stock-based compensation awards to employees as they provide services and the expense is recognized ratably over the requisite service period. The requisite service period is the period during which an employee is required to provide services in exchange for an award. Forfeitures are recorded upon the actual employee termination for each outstanding grant.

Derivative Instruments

The Company uses derivative instruments as part of its overall strategy to manage its exposure to market risks primarily associated with fluctuations in interest rates and currency exchange rates. As a matter of policy, the Company does not use derivatives for trading or speculative purposes. All derivatives are recorded at fair value as either assets or liabilities. Changes in fair value of derivatives not designated as hedging instruments and of derivatives designated as fair value hedging instruments are recognized currently in operating income/(loss) and interest expense, net in the Consolidated Statements of Income/(Loss), based upon the nature of the hedged item. The effective portion of changes in fair value of derivatives designated as cash flow hedging instruments is recorded as a component of other comprehensive income/(loss). The ineffective portion is reported immediately in earnings as a component of operating or interest expense, based upon the nature of the hedged item. Amounts included in other comprehensive income/(loss) are reclassified into earnings in the same period during which the hedged item affects earnings.

Accumulated Other Comprehensive Income/(Loss)

Accumulated other comprehensive income ("AOCI") (loss) consists of accumulated foreign currency translation adjustments and unrealized gains or losses on the Company's cash flow hedges. Foreign currency translation adjustments exclude income taxes related to indefinite investments in foreign subsidiaries. Assets and liabilities of foreign subsidiaries having non-U.S.-dollar functional currencies are translated at exchange rates at the balance sheet dates. Revenues and expenses are translated at average exchange rates during the periods presented. The gains or losses resulting from translating foreign currency financial statements into U.S. dollars, net of hedging gains or losses and taxes, are included in AOCI on the Consolidated Balance Sheets.

Recently Adopted Accounting Pronouncements

Simplifying the Accounting for Income Taxes. On December 18, 2019, the FASB issued guidance which simplifies the accounting standards for income taxes. The amendment clarifies and simplifies aspects of the accounting for income taxes to help promote consistent application of GAAP by eliminating certain exceptions to the general principles of ASC 740, *Income Taxes*. This guidance is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years, with early adoption permitted. The Company adopted the guidance on January 1, 2021, as required. There was no material impact on the Company's Consolidated Financial Statements and related disclosures as a result of adopting this new standard.

Reference Rate Reform: Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In March 2020, the FASB issued optional guidance for a limited time to ease the potential burden in accounting for reference rate reform. The new guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. These amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company adopted the guidance upon issuance, as required and there was no material impact on its Consolidated Financial Statements and related disclosures.

Measurement of Credit Losses on Financial Instruments. In June 2016, the FASB issued guidance to replace the existing methodology for estimating credit losses with a methodology that reflects lifetime expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. The Company adopted the guidance on January 1, 2020, as required using the modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date to align the Company's current processes for establishing an allowance for credit losses with the new guidance. See Note 5 - Accounts Receivable for the impact of adoption.

Simplifying the Test for Goodwill Impairment. In January 2017, the FASB issued guidance which simplifies the current two-step goodwill impairment test by eliminating Step 2 of the test. The guidance requires a one-step impairment test in which an entity compares the fair value of a reporting unit with its carrying amount and recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, if any. This guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, and should be applied on a prospective basis. The Company adopted the guidance on January 1, 2020, as required and there was no material impact on its Consolidated Financial Statements and related disclosures.

Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. In August 2018, the FASB issued guidance to address a customer's accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. The guidance aligns the requirements for capitalizing implementation costs incurred in such arrangements with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This guidance is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years. This guidance should be applied on either a retrospective or prospective basis. The Company adopted the guidance on January 1, 2020, as required on a prospective basis and there was no material impact on its Consolidated Financial Statements and related disclosures.

3. REVENUE RECOGNITION

The principal source of revenues from franchising hotels is ongoing royalty fees, which are typically a percentage of gross room revenues of each franchised hotel. The Company recognizes royalty fee revenues as and when the underlying sales occur. The Company also receives non-refundable initial franchise fees, which are recognized as revenues over the initial non-cancellable period of the franchise agreement, commencing when all material services or conditions have been substantially performed. This occurs when a hotel opens for business in the Company's system or when a franchise agreement is terminated after it has been determined that the hotel will not open. The Company's standard franchise agreement typically has a term of 10 to 20 years.

The Company's franchise agreements also require the payment of marketing and reservation fees, which are intended to reimburse the Company for expenses associated with operating an international, centralized reservation system, e-commerce channels such as the Company's brand.com websites, as well as access to third-party distribution channels, such as online travel agents, advertising and marketing programs, global sales efforts, operations support, training and other related services. Marketing and reservation fees are recognized as revenue when the underlying sales occur. Although the Company is generally contractually obligated to spend the marketing and reservation fees it collects from franchisees, in accordance with the franchise agreements, marketing and reservations costs are expensed as incurred.

The Company earns revenues from its Wyndham Rewards loyalty program when a member stays at a participating hotel, club resort or vacation rental. These revenues are derived from a fee the Company charges a franchised or managed hotel based upon a percentage of room revenues generated from a Wyndham Rewards member's stay. These fees are to reimburse the Company for expenses associated with member redemptions and activities that are related to the administering and marketing of the program. Revenues related to the loyalty program represent variable consideration and are recognized net of redemptions over time based upon loyalty point redemption patterns, which include an estimate of loyalty points that will expire or will never be redeemed.

As a result of the negative impact that COVID-19 had on travel demand in 2020, the Company's assumptions related to redemptions, including estimated member redemption rate, member redemption pattern, and the estimated cost to satisfy such redemptions, changed. Accordingly, the Company recognized a \$16 million cumulative adjustment, which resulted in an increase to loyalty revenues during the second quarter of 2020. Such increase was included within marketing, reservation and loyalty and other revenues on the Consolidated Statement of Income/(Loss) for the year ended December 31, 2020.

The Company earns revenue from its Wyndham Rewards co-branded credit card program, which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the program are recognized as a contract liability. The program primarily contains two performance obligations: (i) brand performance

services, for which revenue is recognized over the contract term on a straight-line basis, and (ii) issuance and redemption of loyalty points, for which revenue is recognized over time based upon the redemption patterns of the loyalty points earned under the program, including an estimate of loyalty points that will expire or will never be redeemed.

The Company provides management services for hotels under management contracts, which offer hotel owners all the benefits of a global brand and a full range of management, marketing and reservation services. In addition to the standard franchise services described above, the Company's hotel management business provides hotel owners with professional oversight and comprehensive operations support services. The Company's standard management agreement typically has a term of 10 to 20 years. The Company's management fees are comprised of base fees, which are typically a specified percentage of gross revenues from hotel operations, and, in some cases, incentive fees, which are typically a specified percentage of a hotel's gross operating profit. The base fees are recognized when the underlying sales occur and the management services are performed. Incentive fees are recognized when determinable, which is when the Company has met hotel operating performance metrics and the Company has determined that a significant reversal of revenues recognized will not occur.

The Company also recognizes reimbursable payroll costs for operational employees and other reimbursable costs at certain of the Company's managed hotels as revenue. Although these costs are funded by hotel owners, accounting guidance requires the Company to report these fees on a gross basis as both revenues and expenses. Additionally, the Company recognizes occupancy taxes on a net basis.

The Company recognizes license and other revenues from Wyndham Worldwide ("former Parent"), now known as Travel + Leisure Co., for use of the "Wyndham" trademark and certain other trademarks.

In addition, the Company earned revenues from its previously two owned hotels (sold in 2022), which consisted primarily of (i) gross room rentals, (ii) food and beverage services and (iii) on-site spa, casino, golf and shop revenues. These revenues were recognized upon the completion of services.

Deferred Revenues

Deferred revenues, or contract liabilities, generally represent payments or consideration received in advance for goods or services that the Company has not yet provided to the customer. Deferred revenues as of December 31, 2022 and December 31, 2021 are as follows:

	December 31, 2022	December 31, 2021
Deferred initial franchise fee revenues	\$ 143	\$ 145
Deferred loyalty program revenues	85	76
Deferred other revenues	19	14
Total	<u>\$ 247</u>	<u>\$ 235</u>

Deferred initial franchise fees represent payments received in advance from prospective franchisees upon the signing of a franchise agreement and are generally recognized to revenue within 13 years. Deferred loyalty revenues represent the portion of loyalty program fees charged to franchisees, net of redemption costs, that have been deferred and will be recognized over time based upon loyalty point redemption patterns.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to a customer. The consideration received from a customer is allocated to each distinct performance obligation and recognized as revenue when, or as, each performance obligation is satisfied. The following table summarizes the Company's remaining performance obligations for the years set forth below:

	2023	2024	2025	Thereafter	Total
Initial franchise fee revenues	\$ 15	\$ 8	\$ 7	\$ 113	\$ 143
Loyalty program revenues	54	21	8	2	85
Other revenues	14	1	1	3	19
Total	<u>\$ 83</u>	<u>\$ 30</u>	<u>\$ 16</u>	<u>\$ 118</u>	<u>\$ 247</u>

Disaggregation of Net Revenues

The table below presents a disaggregation of the Company's net revenues from contracts with customers by major services and products for each of the Company's segments:

	Year Ended December 31,		
	2022	2021	2020
Hotel Franchising			
Royalties and franchise fees	\$ 496	\$ 436	\$ 309
Marketing, reservation and loyalty	543	467	369
License and other fees	100	79	84
Other	138	117	101
Total Hotel Franchising	1,277	1,099	863
Hotel Management			
Royalties and franchise fees	16	25	19
Marketing, reservation and loyalty	1	1	1
Owned hotel revenues	42	82	37
Management fees	15	35	27
Cost reimbursements	144	320	350
Other	3	3	3
Total Hotel Management	221	466	437
Net revenues	\$ 1,498	\$ 1,565	\$ 1,300

Capitalized Contract Costs

The Company incurs certain direct and incremental sales commissions costs in order to obtain hotel franchise and management contracts. Such costs are capitalized and subsequently amortized beginning upon hotel opening over the first non-cancellable period of the agreement. In the event an agreement is terminated prior to the end of the first non-cancellable period, any unamortized cost is immediately expensed. In addition, the Company also capitalizes costs associated with the sale and installation of property management systems to its franchisees, which are amortized over the remaining non-cancellable period of the franchise agreement. As of December 31, 2022 and December 31, 2021, capitalized contract costs were \$34 million and \$33 million, respectively, of which \$4 million and \$5 million, respectively, were included in other current assets, and \$30 million and \$28 million, respectively, were included in other non-current assets on the Company's Consolidated Balance Sheets.

4. EARNINGS PER SHARE

The computation of basic and diluted earnings/(loss) per share (“EPS”) is based on net income/(loss) divided by the basic weighted average number of common shares and diluted weighted average number of common shares, respectively.

The following table sets forth the computation of basic and diluted EPS (in millions, except per-share data) for the years ended December 31:

	2022	2021	2020
Net income/(loss)	\$ 355	\$ 244	\$ (132)
Basic weighted average shares outstanding	90.3	93.4	93.4
Stock options and restricted stock units (“RSUs”) ^(a)	0.5	0.5	—
Diluted weighted average shares outstanding	<u>90.8</u>	<u>93.9</u>	<u>93.4</u>
<i>Earnings/(loss) per share:</i>			
Basic	\$ 3.93	\$ 2.61	\$ (1.42)
Diluted	3.91	2.60	(1.42)
<i>Dividends:</i>			
Cash dividends declared per share	\$ 1.28	\$ 0.88	\$ 0.56
Aggregate dividends paid to stockholders	\$ 116	\$ 82	\$ 53

(a) Due to the anti-dilutive effect resulting from the reported net loss for the year ended December 31, 2020, 0.1 million of anti-dilutive shares were omitted from the calculation of weighted average shares outstanding for the period.

Stock Repurchase Program

The following table summarizes stock repurchase activity under the current stock repurchase program (in millions, except per share data):

	Shares	Cost	Average Price Per Share
As of January 1, 2021	9.0	\$ 519	\$ 57.55
For the twelve months ended December 31, 2022	6.2	445	71.70
As of December 31, 2022	<u>15.2</u>	<u>\$ 964</u>	<u>\$ 63.32</u>

The Company had \$436 million of remaining availability under its program as of December 31, 2022.

5. ACCOUNTS RECEIVABLE**Allowance for Doubtful Accounts**

The Company generates trade receivables in the ordinary course of its business and provides for estimated bad debts on such receivables. The Company adopted the new accounting guidance, *ASU 2016-13, Measurement of Credit Losses on Financial Instruments* on January 1, 2020. As a result of adopting the new guidance, the Company recorded a \$10 million (net of a \$2 million income tax benefit) cumulative effect adjustment to retained earnings at January 1, 2020. Since adoption, the Company measures the expected credit losses of its receivables on a collective (pool) basis which aggregates receivables with similar risk characteristics and uses historical collection attrition rates for periods ranging from seven to ten years to estimate its expected credit losses. As such, the Company measures the expected credit losses of its receivables by segment and geographical area. Beginning January 1, 2020, the Company provides an estimate of expected credit losses for its receivables immediately upon origination or acquisition and may adjust this estimate in subsequent reporting periods as required. When the Company determines that an account is not collectible, the account is written-off to the allowance for doubtful accounts. The Company also considers whether the historical economic conditions are comparable to current economic conditions. If current or expected future conditions differ from the conditions in effect when the historical experience was generated, the Company would adjust the allowance for doubtful accounts to reflect the expected effects of the current environment on the collectability of the Company’s trade receivables which may be material.

The following table sets forth the activity in the Company's allowance for doubtful accounts on trade accounts receivables for the years ended:

	December 31, 2022	December 31, 2021	December 31, 2020
Beginning balance	\$ 81	\$ 72	\$ 47
Cumulative effect of change in accounting standard	—	—	12
(Recovery of)/provision for doubtful accounts	(2)	21	37
Bad debt write-offs	(15)	(12)	(24)
Ending balance	<u>\$ 64</u>	<u>\$ 81</u>	<u>\$ 72</u>

Notes Receivable

As of December 31, 2022 and 2021, the Company had notes receivable of \$ million and \$4 million, respectively, net of a \$1 million and \$3 million allowance, respectively. For a significant portion of such notes receivable, the Company has received personal guarantees from the owners of these hotels. In addition, the Company had \$12 million and \$20 million of notes receivable as of December 31, 2022 and 2021, respectively, which are fully offset by a corresponding amount in deferred revenues.

6. HOTEL BRAND ACQUISITION

During September 2022, the Company completed the acquisition of the Vienna House hotel brand for a total purchase price of \$44 million. Vienna House's portfolio consisted of 41 franchised hotels across Europe, predominantly in Germany. This acquisition enables the Company to grow the Vienna House brand by leveraging its global scale and franchise expertise and is consistent with the Company's strategy to expand its brand portfolio and total system size.

The purchase price was allocated based on the fair value of the indefinite lived trademark and franchise agreements acquired, which have a 20 year life. The following table summarizes the fair value of the assets acquired in connection with Wyndham's acquisition of Vienna House:

	Amount
Franchise agreements	\$ 16
Trademark	28
Total assets acquired	<u>\$ 44</u>

This asset acquisition was assigned to the Company's Hotel Franchising segment. The results of operations of Vienna House have been included in the Consolidated Statements of Income since its date of acquisition. Such results were not material to the Company's results of operations for the three months and year ended December 31, 2022.

7. ASSETS AND LIABILITIES HELD FOR SALE

During the fourth quarter of 2021, the Company's Board approved a plan to sell its two owned hotels. In March and May 2022, the Company completed the sale of its Wyndham Grand Bonnet Creek Resort and Wyndham Grand Rio Mar Resort, respectively, resulting in no assets or liabilities left held for sale. See Note 18 - Other Expenses and Charges for more information on the sales.

The Company's Consolidated Balance Sheets include the following with respect to assets and liabilities held for sale:

	December 31, 2021	
<i>Assets:</i>		
Trade receivables, net	\$	4
Other current assets		4
Property and equipment, net		146
Total assets held for sale	\$	154
<i>Liabilities:</i>		
Accrued expenses and other current liabilities	\$	8
Deferred revenues		6
Other liabilities		3
Total liabilities held for sale	\$	17

8. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of:

	As of December 31,	
	2022	2021
Leasehold improvements	30	30
Capitalized software	290	326
Furniture, fixtures and equipment	24	32
Finance leases	64	64
Construction in progress	9	12
	417	464
Less: Accumulated depreciation	318	358
	\$ 99	\$ 106

During the fourth quarter of 2021, the Company's Board approved a plan to sell its two owned hotels. As of December 31, 2021 the Company reported \$146 million of net property and equipment in assets held for sale on the Consolidated Balance Sheets. In addition, as a result of the Board approval, the Company evaluated the recoverability of its owned hotels' long-lived assets and in the fourth quarter of 2021, the Company recorded a \$6 million impairment charge which was reported within impairments, net on the Consolidated Statement of Income/(Loss).

The Company recorded depreciation expense of \$46 million, \$57 million, and \$61 million during 2022, 2021 and 2020, respectively, related to property and equipment.

9. INTANGIBLE ASSETS

Intangible assets consisted of the following:

	December 31, 2022			December 31, 2021		
	Gross Carrying Amount ^(a)			Gross Carrying Amount	Accumulated Impairment	Net Carrying Amount
Goodwill	\$ 1,525			\$ 1,539	\$ 14	\$ 1,525
	December 31, 2022			December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Unamortized intangible assets:</i>						
Trademarks			\$ 1,231			\$ 1,201
<i>Amortized intangible assets:</i>						
Franchise agreements	\$ 913	\$ 541	\$ 372	\$ 895	\$ 513	\$ 382
Management agreements	15	14	1	135	44	91
Trademarks	1	—	1	2	1	1
Other	1	—	1	1	1	—
	<u>\$ 930</u>	<u>\$ 555</u>	<u>\$ 375</u>	<u>\$ 1,033</u>	<u>\$ 559</u>	<u>\$ 474</u>

(a) Due to the sale of its two owned hotels in 2022, the Company derecognized \$ 14 million from its gross carrying value and accumulated impairment goodwill balances.

The changes in the carrying amount of goodwill are as follows:

	Balance as of January 1, 2021	2022 and 2021 Adjustments to Goodwill	Balance as of December 31, 2022
Hotel Franchising	\$ 1,441	\$ —	\$ 1,441
Hotel Management	84	—	84
Total	<u>\$ 1,525</u>	<u>\$ —</u>	<u>\$ 1,525</u>

Amortization expense relating to amortizable intangible assets was as follows for the years ended December 31:

	2022	2021	2020
Franchise agreements	\$ 26	\$ 27	\$ 27
Management agreements	5	11	10
Total ^(a)	<u>\$ 31</u>	<u>\$ 38</u>	<u>\$ 37</u>

(a) Included as a component of depreciation and amortization on the Consolidated Statements of Income/(Loss).

Based on the Company's amortizable intangible assets as of December 31, 2022, the Company expects related amortization expense as follows:

	Amount
2023	\$ 28
2024	27
2025	27
2026	26
2027	26

In March 2022, the Company completed the exit of its select-service hotel management business and received an \$4 million termination fee, which under the terms of the agreement with CorePoint Lodging (“CPLG”) effectively resulted in the sale of the rights to the management contracts that were acquired as part of the La Quinta Holdings purchase in 2018. The termination fee proceeds were completely offset by the write-off of the remaining balance of the related hotel management contract intangible asset and thus resulted in a full recovery of such asset. The proceeds were reported in proceeds from asset sales, net on the Consolidated Statement of Cash Flows. The franchise agreements for these hotels remained in place at their stated fee structure.

As a result of the impact COVID-19 had on the Company’s operations during 2020, the Company performed quantitative assessments on intangible assets in the second quarter of 2020. As a result of the assessments, the Company incurred a \$14 million charge in the second quarter of 2020 to fully write-down the goodwill balance for its owned hotel reporting unit. Such charge was reported within impairments, net on the Consolidated Statement of Income/(Loss) and was charged to the hotel management segment. In addition, the Company recorded impairment charges of \$191 million to reduce the carrying value of certain trademarks to their estimated fair values. Such charges were reported within impairments, net on the Consolidated Statement of Income/(Loss) and were charged to the hotel franchising segment.

The following is the breakout of the intangible impairment charges recorded in the second quarter of 2020:

Intangible Asset	Book Value	Impairment Charges	Adjusted Fair Value
Owned hotel reporting unit goodwill	\$ 14	\$ (14)	\$ —
La Quinta trademark	710	(155)	555
Other trademarks ^(a)	103	(36)	67
Total	\$ 827	\$ (205)	\$ 622

(a) Represents the impairments of three of the Company’s trademarks.

10. FRANCHISING, MARKETING AND RESERVATION ACTIVITIES

Royalties and franchise fee revenues on the Consolidated Statements of Income/(Loss) include initial franchise fees of \$15 million, \$14 million and \$20 million in 2022, 2021 and 2020, respectively.

In accordance with its franchise agreements, the Company is generally contractually obligated to expend the marketing and reservation fees it collects from franchisees for the operation of an international, centralized, brand-specific reservation system and for marketing purposes such as advertising, promotional and co-marketing programs, and training for the respective franchisees.

Development Advance Notes

The Company may, at its discretion, provide development advance notes to certain franchisees/hotel owners in order to assist them in converting to one of its’ brands, in building a new hotel to be flagged under one of its’ brands or in assisting in other franchisee expansion efforts. Provided the franchisee/hotel owner is in compliance with the terms of the franchise/management agreement, all or a portion of the development advance notes may be forgiven by the Company over the period of the franchise/management agreement. Otherwise, the related principal is due and payable to the Company. In certain instances, the Company may earn interest on unpaid franchisee development advance notes.

The Company’s Consolidated Financial Statements include the following with respect to development advances:

Consolidated Balance Sheets:

	As of December 31,	
	2022	2021
Other non-current assets	\$ 144	\$ 108

Consolidated Statements of Income/(Loss):

	Year Ended December 31,		
	2022	2021	2020
Forgiveness of notes ^(a)	\$ 1	\$ 1	9
Good debt expense related to notes	1	1	1

(a) Amounts are recorded as a reduction of royalties and franchise fees and marketing, reservation and loyalty revenues.

11. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of:

	As of December 31,	
	2022	2021
Accrued loyalty program liabilities (Note 2)	\$ 74	\$ 67
Accrued payroll and related expenses	73	74
Accrued taxes payable	38	33
Accrued self-insurance liabilities	20	25
Accrued marketing expenses	10	11
Accrued professional expenses	10	9
Accrued interest	9	9
Accrued legal settlements (Note 15)	8	6
Operating lease liabilities (Note 20)	4	4
Due to former Parent (Note 19)	3	5
Other	15	15
	<u>\$ 264</u>	<u>\$ 258</u>

12. INCOME TAXES

The income tax provision/(benefit) consists of the following:

	Year Ended December 31,		
	2022	2021	2020
Current			
Federal	\$ 116	\$ 65	\$ (5)
State	22	16	(2)
Foreign	22	11	4
	<u>160</u>	<u>92</u>	<u>(3)</u>
Deferred			
Federal	(30)	(5)	(10)
State	(9)	—	(8)
Foreign	—	4	(5)
	<u>(39)</u>	<u>(1)</u>	<u>(23)</u>
Provision for/(benefit from) income taxes	<u>\$ 121</u>	<u>\$ 91</u>	<u>\$ (26)</u>

Pretax income/(loss) for domestic and foreign operations consisted of the following:

	Year Ended December 31,		
	2022	2021	2020
Domestic	\$ 432	\$ 312	\$ (113)
Foreign	44	23	(45)
Pretax income/(loss)	<u>\$ 476</u>	<u>\$ 335</u>	<u>\$ (158)</u>

Deferred Taxes

Deferred income tax assets and liabilities are comprised of the following:

	As of December 31,	
	2022	2021
<i>Deferred income tax assets:</i>		
Accrued liabilities and deferred revenues	\$ 85	\$ 77
Tax credits ^(a)	7	7
Other comprehensive income and other	14	14
Provision for doubtful accounts	7	10
Net operating loss carryforward ^(b)	22	21
Valuation allowance ^(c)	(23)	(27)
Deferred income tax assets	112	102
<i>Deferred income tax liabilities:</i>		
Depreciation and amortization	417	444
Other comprehensive income and other	35	19
Deferred income tax liabilities	452	463
Net deferred income tax liabilities	\$ 340	\$ 361
<i>Reported in:</i>		
Other non-current assets	\$ 5	\$ 5
Deferred income taxes	345	366
Net deferred income tax liabilities	\$ 340	\$ 361

(a) As of December 31, 2022, the Company had \$ 7 million of foreign tax credits. The foreign tax credits expire no later than 2032.

(b) As of December 31, 2022, the Company's net operating loss carryforwards primarily relate to state net operating losses, which are due to expire at various dates, but no later than 2042.

(c) The valuation allowance of \$23 million at December 31, 2022 relates to net operating loss carryforwards, certain deferred tax assets and foreign tax credits of \$ 14 million, \$2 million and \$7 million, respectively. The valuation allowance of \$27 million at December 31, 2021 relates to net operating loss carryforwards, certain deferred tax assets and foreign tax credits of \$ 17 million, \$6 million and \$4 million, respectively. The valuation allowance will be reduced when and if the Company determines it is more likely than not that the related deferred income tax assets will be realized.

Although the one-time mandatory deemed repatriation tax during 2017 and the territorial tax system created as a result of U.S. tax reform generally eliminate U.S. federal income taxes on dividends from foreign subsidiaries, the Company continues to assert that all of the undistributed foreign earnings of \$48 million will be reinvested indefinitely as of December 31, 2022. In the event the Company determines not to continue to assert that all or part of its undistributed foreign earnings are permanently reinvested, such a determination in the future could result in the accrual and payment of additional foreign withholding taxes and U.S. taxes on currency transaction gains and losses, the determination of which is not practicable due to the complexities associated with the hypothetical calculation.

The Company's effective income tax rate differs from the U.S. federal statutory rate as follows for the years ended December 31:

	2022	2021	2020
Federal statutory rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal tax benefits	2.8	3.1	5.5
Taxes on foreign operations at rates different than U.S. federal statutory rates	1.9	2.0	(2.1)
Taxes on foreign income, net of tax credits	0.4	0.3	1.2
Nondeductible executive compensation	0.7	0.7	(1.9)
Nondeductible goodwill impairment	—	—	(1.8)
Foreign-derived intangible income	(0.5)	(0.2)	0.2
Valuation allowances	(0.6)	0.5	(5.2)
Other	(0.3)	(0.2)	(0.4)
	<u>25.4 %</u>	<u>27.2 %</u>	<u>16.5 %</u>

The effective income tax rate for 2022, 2021 and 2020 differs from the U.S. Federal income tax rate of 21% primarily due to state taxes and U.S. and foreign taxes, including withholding taxes on the Company's international operations. During 2020, our effective tax rate was lower primarily related to goodwill impairment charges that are nondeductible for tax purposes and valuation allowances for certain deferred tax attributes.

The following table summarizes the activity related to the Company's unrecognized tax benefits as of December 31:

	2022	2021	2020
Beginning balance	\$ 7	\$ 9	\$ 11
Increases related to tax positions taken during a prior period	4	1	—
Increases related to tax positions taken during the current period	—	—	1
Decreases related to settlements with taxing authorities	—	—	—
Decreases as a result of a lapse of the applicable statute of limitations	(3)	(2)	(3)
Decreases related to tax positions taken during a prior period	—	(1)	—
Ending balance	<u>\$ 8</u>	<u>\$ 7</u>	<u>\$ 9</u>

The gross amount of the unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate was \$ million, \$7 million and \$9 million as of December 31, 2022, 2021 and 2020, respectively. The Company recorded both accrued interest and penalties related to unrecognized tax benefits as a component of provision for/(benefit from) income taxes on the Consolidated Statements of Income/(Loss). The amount of potential penalties and interest related to these unrecognized tax benefits recorded in the provision for income taxes was immaterial during 2022 and 2021 and a benefit of \$1 million during 2020. The Company had a liability for potential penalties of \$1 million as of December 31, 2022, 2021 and 2020, and potential interest of \$2 million as of December 31, 2022, 2021 and 2020. Such liabilities are reported as a component of accrued expenses and other current liabilities and other non-current liabilities on the Consolidated Balance Sheets. The Company does not expect the unrecognized tax benefits to change significantly over the next 12 months.

The Company files income tax returns in the U.S. federal and state jurisdictions, as well as in foreign jurisdictions. With certain exceptions, the Company is no longer subject to federal income tax examinations for years prior to 2019. The 2017 through 2021 tax years generally remain subject to examination by many state tax authorities. In significant foreign jurisdictions, the 2015 through the 2021 tax years generally remain subject to examination by their respective tax authorities. The statute of limitations is scheduled to expire within 12 months of the reporting date in certain taxing jurisdictions, and the Company therefore believes that it is reasonably possible that the total amount of its unrecognized tax benefits could decrease by \$4 million to \$5 million.

The Company made cash income tax payments, net of refunds, of \$123 million during 2022 and \$114 million during 2021. The Company received income tax refunds, net of payments, of \$9 million during 2020. Additionally, the Company had \$15 million and \$48 million of income tax receivables as of December 31, 2022 and 2021, respectively, which was reported within other current assets on the Consolidated Balance Sheets.

On August 16, 2022, the Inflation Reduction Act ("IRA") was signed into law in the United States. The Company does not currently expect the IRA to have a material impact on its financial results, including on its annual estimated effective tax rate or liquidity.

13. LONG-TERM DEBT AND BORROWING ARRANGEMENTS

The Company's indebtedness consisted of:

	As of December 31,			
	2022		2021	
	Amount	Weighted Average Rate ^(b)	Amount	Weighted Average Rate ^(b)
Long-term debt: ^(a)				
\$750 million revolving credit facility (due April 2027)	\$ —		\$ —	
\$400 million term loan A (due April 2027)	399	5.92%	—	
\$1.6 billion term loan B (due May 2025)	1,139	3.70%	1,541	3.07%
4.375% senior unsecured notes (due August 2028)	494	4.38%	493	4.38%
Finance leases	45	4.50%	50	4.50%
Total long-term debt	2,077		2,084	
Less: Current portion of long-term debt	20		21	
Long-term debt	\$ 2,057		\$ 2,063	

(a) The carrying amount of the term loan and senior unsecured notes are net of deferred debt issuance costs of \$ 11 million and \$ 15 million as of December 31, 2022 and 2021, respectively.

(b) Weighted average interest rate based on year-end balances, including the effects from hedging.

Maturities and Capacity

The Company's outstanding debt as of December 31, 2022 matures as follows:

	Long-Term Debt
Within 1 year	\$ 20
Between 1 and 2 years	26
Between 2 and 3 years	1,173
Between 3 and 4 years	37
Between 4 and 5 years	313
Thereafter	508
Total	\$ 2,077

As of December 31, 2022, the available capacity under the Company's revolving credit facility was as follows:

	Revolving Credit Facility
Total capacity	\$ 750
Less: Letters of credit	9
Available capacity	\$ 741

Long-Term Debt

\$750 million Revolving Credit Facility

During May 2018, the Company entered into an agreement for a \$750 million revolving credit facility expiring in May 2023. This facility is subject to an interest rate per annum equal to, at the Company's option, either a base rate plus a margin ranging from 0.50% to 1.00% or LIBOR plus a margin ranging from 1.50% to 2.00%, in either case based upon the total leverage ratio of the Company and its restricted subsidiaries. In addition, the Company will pay a commitment fee on the unused portion of the revolving credit facility of 0.20% per annum.

In April 2020, the Company completed an amendment to its revolving credit facility agreement to waive the quarterly-tested leverage covenant until April 1, 2021. The covenant was also modified for the second, third and fourth quarters of 2021 to use a form of annualized EBITDA, as defined in the credit agreement, rather than the last twelve months EBITDA, as

previously required. In return for this modification, the Company agreed to temporarily maintain minimum liquidity of \$200 million, which is defined in the credit agreement as the total of unrestricted cash on hand and available capacity under the Company's revolving credit facility, pay a higher interest rate on outstanding borrowings, restrict share repurchases and reduce payment of dividends, or restrict dividends to \$0.01 per share in the event the Company's liquidity was below \$300 million. As of December 31, 2021 all restrictions have been lifted.

In April 2022, the Company entered into the Third Amendment to the Credit Agreement dated May 30, 2018 which amended its original five-year \$750 million revolver to extend the term to April 2027. The benchmark rate applicable to the revolver has changed from LIBOR to Secured Overnight Funding Rate ("SOFR"). The revolver is subject to an interest rate equal to, at the Company's option, either (i) a base rate plus a margin ranging from 0.50% to 1.00% or (ii) SOFR, plus a margin ranging from 1.50% to 2.00% and an additional 0.10% SOFR adjustment, in either case based upon the total leverage ratio of the Company and its restricted subsidiaries. The revolver is subject to the same prepayment provisions and covenants applicable to the previous revolver.

\$400 million Term Loan A Agreement

In April 2022, the Company entered into the Third Amendment to the Credit Agreement dated May 30, 2018. The amendment provides for a new senior secured term loan A facility ("Term Loan A") in an aggregate principal amount of \$400 million maturing in April 2027, the proceeds of which were used to repay a portion of the existing Term Loan B facility. The Term Loan A is subject to an interest rate equal to, at the Company's option, either (i) a base rate plus a margin ranging from 0.50% to 1.00% or (ii) SOFR, plus a margin ranging from 1.50% to 2.00% and an additional 0.10% SOFR adjustment, in either case based upon the total leverage ratio of the Company and its restricted subsidiaries. The term loan A is subject to the same prepayment provisions and covenants applicable to the existing Term Loan B. The Term Loan A is subject to quarterly principal payments as follows: (i) 0.0% per year of the initial principal amount during the first year, (ii) 5.0% per year of the initial principal amount payable in equal quarterly installments during the second and third years and (iii) 7.5% per year of the initial principal amount payable in equal quarterly installments during the fourth and fifth years, with final payments of all amounts outstanding, plus accrued interest, being due on the maturity date in April 2027.

\$1.6 billion Term Loan B Agreement

During May 2018, the Company entered a credit agreement for a \$1.6 billion term loan (the "Term Loan B") expiring in May 2025. The interest rate per annum applicable to the Term Loan B is equal to, at the Company's option, either a base rate plus a margin of 0.75% or LIBOR plus a margin of 1.75%. The LIBOR rate with respect to the Term Loan B is subject to a "floor" of 0.00%. The Term Loan B began amortizing in equal quarterly installments beginning in the fourth quarter of 2018 in aggregate annual amounts equal to 1.00% of the original principal amount thereof. The Term Loan B is subject to standard mandatory prepayment provisions including (i) 100% of the net cash proceeds from issuances or incurrence of debt by the Company or any of its restricted subsidiaries (other than with respect to certain permitted indebtedness); (ii) 100% (with step-downs to 50% and 0% based upon achievement of specified first-lien leverage ratios) of the net cash proceeds from certain sales or other dispositions of assets by the Company or any of its restricted subsidiaries in excess of a certain amount and subject to customary reinvestment provisions and certain other exceptions; and (iii) 50% (with step-downs to 25% and 0% based upon achievement of specified first-lien leverage ratios) of annual (commencing with the 2019 fiscal year) excess cash flow of the Company and its restricted subsidiaries, subject to customary exceptions and limitations. During 2022, the Company prepaid \$400 million of the Term Loan B with proceeds from the issuance of the Term Loan A and as a result, the Company is no longer subject to quarterly principal payments on Term Loan B.

The revolving credit facility and term loan (the "Credit Facilities") are guaranteed, jointly and severally, by certain of the Company's wholly-owned domestic subsidiaries and secured by a first-priority security interest in substantially all of the assets of the Company and those subsidiaries. The Credit Facilities were initially guaranteed by former Parent, which guarantee was released immediately prior to the consummation of the spin-off. The Credit Facilities contain customary covenants that, among other things, restrict, subject to certain exceptions, the Company and its restricted subsidiaries' ability to grant liens on the Company and its restricted subsidiaries' assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain dividends and other restricted payments. The Credit Facilities require the Company to comply with financial maintenance covenants to be tested quarterly, consisting of a maximum first-lien leverage ratio.

Subject to customary conditions and restrictions, the Company may obtain incremental term loans and/or revolving loans in an aggregate amount not to exceed (i) the greater of \$550 million and 100% of EBITDA, plus (ii) the amount of all voluntary prepayments and commitment reductions under the Credit Facilities, plus (iii) additional amounts subject to certain leverage-based ratio tests.

The Credit Facilities also contain certain customary events of default, including, but not limited to: (i) failure to pay principal, interest, fees or other amounts under the Credit Facilities when due, taking into account any applicable grace period; (ii) any representation or warranty proving to have been incorrect in any material respect when made; (iii) failure to perform or observe covenants or other terms of the Credit Facilities subject to certain grace periods; (iv) a cross-default and cross-acceleration with certain other material debt; (v) bankruptcy events; (vi) certain defaults under ERISA; and (vii) the invalidity or impairment of security interests.

5.375% Senior Unsecured Notes

On April 15, 2021, the Company redeemed all of its \$500 million 5.375% senior unsecured notes due 2026, which was primarily funded through cash on hand. Due to this redemption, the Company incurred an \$18 million charge in the second quarter of 2021, including \$13 million of call premiums and \$5 million from the acceleration of deferred financing fees. Such charge is reported as early extinguishment of debt on the Consolidated Statements of Income/(Loss).

4.375% Senior Unsecured Notes

In August 2020, the Company issued \$500 million of senior unsecured notes, which mature in 2028 and bear interest at a rate of 4.375% per year, for net proceeds of \$492 million. Interest is payable semi-annually in arrears on February 15 and August 15 of each year, commencing on February 15, 2021. The notes are redeemable in whole or in part at various times and premiums per their indenture, with the first call date of August 15, 2023 at a price of 102.188%. The Company used the net cash proceeds from the notes to reduce the borrowings outstanding under its revolving credit facility.

Finance Leases

The Company's finance leases primarily consist of the lease of its corporate headquarters. In connection with the Company's separation from former Parent, it was assigned the lease for its corporate headquarters located in Parsippany, New Jersey from its former Parent, which resulted in the Company recording a finance lease obligation and asset.

Deferred Debt Issuance Costs

The Company classifies deferred debt issuance costs related to its revolving credit facility within other non-current assets on the Consolidated Balance Sheets. Such deferred debt issuance costs were \$4 million and \$2 million as of December 31, 2022 and 2021, respectively.

Cash Flow Hedge

In 2018, the Company hedged a portion of its \$1.6 billion term loan. The pay-fixed/receive-variable interest rate swaps hedge \$1.1 billion of the Company's term loan interest rate exposure, of which \$600 million expires in the second quarter of 2024 and has a weighted average fixed rate of 2.58% and \$500 million expires in the fourth quarter of 2024 and has a weighted average fixed rate of 0.99%. The variable rates of the swap agreements are based on one-month LIBOR. The aggregate fair value of these interest rate swaps was an asset of \$53 million and a liability of \$23 million as of December 31, 2022 and 2021, respectively, which was included within other non-current assets and other non-current liabilities on the Consolidated Balance Sheets, respectively. The effect of interest rate swaps on interest expense, net on the Consolidated Statements of Income/(Loss) were \$2 million, \$26 million and \$22 million of expense during 2022, 2021 and 2020, respectively.

There was no hedging ineffectiveness recognized in 2022, 2021 or 2020. The Company expects to reclassify approximately \$34 million of gains from AOCI to interest expense during the next 12 months.

Interest Expense, Net

The Company incurred interest expense of \$85 million, \$94 million and \$114 million in 2022, 2021 and 2020, respectively. Cash paid related to such interest was \$2 million, \$96 million and \$101 million for 2022, 2021 and 2020, respectively. Interest income was \$5 million, \$1 million and \$2 million for 2022, 2021 and 2020, respectively.

Early Extinguishment of Debt

The Company incurred non-cash early extinguishment of debt costs of \$2 million in 2022 relating to the credit agreement amendment and \$400 million partial pay down of its term loan B, as discussed above, for the year ended December 31, 2022. For the year ended December 31, 2021 the Company incurred early extinguishment of debt costs of \$18 million relating to the redemption of its \$500 million 5.375% senior unsecured notes redeemed in 2021.

14. FAIR VALUE

The Company measures its financial assets and liabilities at fair value on a recurring basis and utilizes the fair value hierarchy to determine such fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value driver is observable.

Level 3: Unobservable inputs used when little or no market data is available. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls has been determined based on the lowest level input (closest to Level 3) that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The carrying amounts of cash and cash equivalents, trade receivables, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities. The carrying amounts and estimated fair values of all other financial instruments are as follows:

	December 31, 2022	
	Carrying Amount	Estimated Fair Value
Debt	\$ 2,077	\$ 2,035

The Company estimates the fair value of its debt using Level 2 inputs based on indicative bids from investment banks or quoted market prices with the exception of finance leases, which are estimated at carrying value.

Financial Instruments

Changes in interest rates and foreign exchange rates expose the Company to market risk. The Company uses cash flow hedges as part of its overall strategy to manage its exposure to market risks associated with fluctuations in interest rates and foreign currency exchange rates. As a matter of policy, the Company only enters into transactions that it believes will be highly effective at offsetting the underlying risk, and it does not use derivatives for trading or speculative purposes. The Company estimates the fair value of its derivatives using Level 2 inputs.

Interest Rate Risk

A portion of debt used to finance the Company's operations is exposed to interest rate fluctuations. The Company uses various hedging strategies and derivative financial instruments to create a desired mix of fixed and floating rate assets and liabilities. Derivative instruments currently used in these hedging strategies include interest rate swaps. The derivatives used to manage the risk associated with the Company's floating rate debt are derivatives designated as cash flow hedges. See Note 13 - Long-Term Debt and Borrowing Arrangements for the impact of such cash flow hedges.

Foreign Currency Risk

The Company has foreign currency rate exposure to exchange rate fluctuations worldwide, particularly with respect to the Canadian Dollar, the Chinese Yuan, the Euro, the Brazilian Real and the Argentine Peso. The Company uses foreign currency forward contracts at various times to manage and reduce the foreign currency exchange rate risk associated with its foreign currency denominated receivables and payables, forecasted royalties and forecasted earnings and cash flows of foreign subsidiaries and other transactions. The Company recognized gains from freestanding foreign currency exchange contracts of \$2 million during 2022 and 2021 and losses of \$3 million during 2020. Such gains and losses are included in operating expenses in the Consolidated Statements of Income/(Loss).

The Company accounts for Argentina as a highly inflationary economy. The Company incurred foreign currency exchange losses related to Argentina of \$ million, \$1 million and \$2 million during 2022, 2021 and 2020, respectively. Such losses are included in operating expenses in the Consolidated Statements of Income/(Loss).

Credit Risk and Exposure

The Company is exposed to counterparty credit risk in the event of nonperformance by counterparties to various agreements and sales transactions. The Company manages such risk by evaluating the financial position and creditworthiness of such counterparties and often by requiring collateral in instances in which financing is provided. The Company mitigates counterparty credit risk associated with its derivative contracts by monitoring the amounts at risk with each counterparty to such contracts, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing its risk among multiple counterparties.

Market Risk

The Company is subject to risks relating to the geographic concentration of its hotel properties, which may result in the Company's results of operations being more sensitive to local and regional economic conditions and other factors, including competition, natural disasters and economic downturns, than the Company's results of operations would be, absent such geographic concentrations. Local and regional economic conditions and other factors may differ materially from prevailing conditions in other parts of the world. Excluding cost-reimbursement revenues, which are offset by cost-reimbursement expense, revenues from transactions in the states of Texas and Florida as a percent of U.S. revenues were approximately 10% and 24%, respectively, during 2022, 10% and 18%, respectively, during 2021 and 10% and 19%, respectively, during 2020. Revenues in the state of Florida include license and other fees from the Company's former Parent. Excluding these revenues, revenues in the state of Florida as a percent of U.S. revenues were 16%, 12% and 9% during 2022, 2021 and 2020, respectively.

During 2021 and 2020 CorePoint accounted for 20% and 25%, respectively, of revenues. Excluding cost-reimbursement revenues, which are offset by cost-reimbursement expenses, CorePoint accounted for 8% and 10% during 2021 and 2020, respectively. During the first quarter of 2022, CorePoint terminated its management contracts with the Company.

15. COMMITMENTS AND CONTINGENCIES

Litigation

The Company is involved, at times, in claims, legal and regulatory proceedings and governmental inquiries arising in the ordinary course of its business, including but not limited to: breach of contract, fraud and bad faith claims with franchisees in connection with franchise agreements and with owners in connection with management contracts, as well as negligence, breach of contract, fraud, employment, consumer protection and other statutory claims asserted in connection with alleged acts or occurrences at owned, franchised or managed properties or in relation to guest reservations and bookings. The Company may also at times be involved in claims, legal and regulatory proceedings and governmental inquiries relating to bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy, employment matters, claims of infringement upon third parties' intellectual property rights, claims relating to information security, privacy and consumer protection, fiduciary duty/trust claims, tax claims, environmental claims and landlord/tenant disputes. Along with many of its competitors, the Company and/or certain of its subsidiaries have been named as defendants in litigation matters filed in state and federal courts, alleging statutory and common law claims related to purported incidents of sex trafficking at certain franchised and managed hotel facilities. Many of these matters are in the pleading or discovery stages at this time. In certain matters, discovery has closed and the parties are engaged in dispositive motion practice. As of December 31, 2022, the Company is aware of approximately 35 pending matters filed naming the Company and/or subsidiaries. Based upon the status of these matters, the Company has not made a determination as to the likelihood of any probable loss of any one of these matters and is unable to estimate a range of losses at this time.

The Company records an accrual for legal contingencies when it determines, after consultation with outside counsel, that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome, and when it is probable that a liability has been incurred, its ability to make a reasonable estimate of loss. The Company reviews these accruals each reporting period and makes revisions based on changes in facts and circumstances, including changes to its strategy in dealing with these matters.

The Company believes that it has adequately accrued for such matters with reserves of \$ million and \$6 million as of December 31, 2022 and 2021, respectively. The Company also had receivables of \$6 million and \$3 million as of December 31, 2022 and 2021, respectively, for certain matters which are covered by insurance and were included in other current assets on its Consolidated Balance Sheets. Litigation is inherently unpredictable and, although the Company believes that its

accruals are adequate and/or that it has valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings and/or cash flows in any given reporting period. As of December 31, 2022, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to approximately \$3 million in excess of recorded accruals. However, the Company does not believe that the impact of such litigation will result in a material liability to the Company in relation to its combined financial position or liquidity.

Guarantees

Separation-Related Guarantees

The Company assumed one-third of certain contingent and other corporate liabilities of former Parent incurred prior to the spin-off, including liabilities of former Parent related to, arising out of or resulting from certain terminated or divested businesses, certain general corporate matters of former Parent and any actions with respect to the separation plan or the distribution made or brought by any third party.

Credit Support Provided and Other Indemnifications Relating to former Parent's Sale of its European Vacation Rentals Business

In May 2018, former Parent completed the sale of its European Vacation Rentals business to Compass IV Limited, an affiliate of Platinum Equity, LLC ("Buyer"). In connection with the sale of the European Vacation Rentals business, the Company provided certain post-closing credit support in the form of guarantees to help ensure that the business meets the requirements of certain credit card service providers, travel association and regulatory authorities. Such post-closing credit support may be enforced or called upon if the European vacation rentals business fails to meet its primary obligation to pay certain amounts when due. The European vacation rentals business has provided an indemnity to former Parent in the event that the post-closing credit support is enforced or called upon.

Pursuant to the terms of the Separation and Distribution Agreement that was entered into in connection with the Company's spin-off, the Company will assume one-third and former Parent will assume two-thirds of losses that may be incurred by former Parent or the Company in the event that these credit support arrangements are enforced or called upon by any beneficiary in respect of any indemnification claims made.

The table below summarizes the post-closing credit support guarantees related to the sale of the European Vacation Rentals business, the fair values of such guarantees and the receivables from its former Parent representing two-thirds of such guarantees at December 31, 2022:

	Guarantees	Fair Value of Guarantees	Receivable from former Parent
Post-closing credit support at time of sale	\$ 81	\$ 39	\$ 26
Additional post-closing credit support	46	22	15
Total	\$ 127	\$ 61	\$ 41

The fair value of the guarantees was \$61 million as of December 31, 2022 and 2021 and were included in other non-current liabilities on the Consolidated Balance Sheets. In connection with these guarantees the Company had receivables from its former Parent of \$41 million as of December 31, 2022 and 2021, which were included in other non-current assets on its Consolidated Balance Sheets.

Hotel-Management Guarantees

The Company had previously entered into hotel-management agreements that provided the hotel owner with a guarantee of a certain level of profitability based upon various metrics. Under such agreements, the Company was required to compensate the hotel owner for any profitability shortfall over the life of the management agreement up to a specified aggregate amount. For certain agreements, the Company may have been able to recapture all or a portion of the shortfall payments in the event that future operating results exceeded targets.

As a result of COVID-19, on June 30, 2020, the Company provided notice of termination of its one remaining hotel performance guarantee pursuant to a force majeure provision in the hotel-management agreement. The hotel's owner disputed such termination and the Company and the hotel owner engaged in alternate dispute resolution. The matter was resolved during 2022 which resulted in the termination of the management agreement. As a result of the Company's notice of

termination of the management agreement, the Company's receivable of \$4 million became fully impaired as of June 30, 2020 with the charge recorded within impairments, net on the Consolidated Statements of Income/(Loss). As of December 31, 2022, the Company has no hotel management guarantees.

16. STOCK-BASED COMPENSATION

The Company has a stock-based compensation plan available to grant non-qualified stock options, incentive stock options, stock-settled appreciation rights ("SSARs"), RSUs, performance-vesting restricted stock units ("PSUs") and/or other stock-based awards to key employees and non-employee directors. Under the Wyndham Hotels & Resorts, Inc. 2018 Equity and Incentive Plan ("Stock Plan"), which became effective on May 14, 2018, a maximum of 10.0 million shares of common stock may be awarded. As of December 31, 2022, 5.2 million shares remained available.

During 2022, the Company granted incentive equity awards totaling \$30 million to key employees and senior officers in the form of RSUs. The RSUs generally vest ratably over a period of four years based on continuous service. Additionally, the Company approved incentive equity awards to key employees and senior officers in the form of PSUs with a maximum grant value of \$12 million. The PSUs generally cliff vest on the third anniversary of the grant date based on continuous service with the number of shares earned (0% to 200% of the target award) depending on the extent to which the Company achieves the specified performance metrics.

Incentive Equity Awards Granted by the Company

The activity related to the Company's incentive equity awards for the year ended December 31, 2022 consisted of the following:

	RSUs		PSUs	
	Number of RSUs	Weighted Average Grant Price	Number of PSUs	Weighted Average Grant Price
Balance as of December 31, 2021	1.2	\$ 60.37	0.3	\$ 57.51
Granted ^(a)	0.3	81.71	0.1 ^(b)	82.74
Vested	(0.4)	58.58	—	—
Canceled	(0.1)	66.08	(0.1)	55.26
Balance as of December 31, 2022	1.0 ^(c)	\$ 67.90	0.3 ^(d)	\$ 69.82

(a) Represents awards granted by the Company primarily in March 2022.

(b) Represents awards granted by the Company at the maximum achievement level of 200% of target payout. Actual shares that may be issued can range from 0% to 200% of target.

(c) RSUs outstanding as of December 31, 2022 have an unrecognized compensation expense of \$ 48 million, which is expected to be recognized over a weighted average period of 2.5 years.

(d) PSUs outstanding as of December 31, 2022 have an aggregate maximum potential unrecognized compensation expense of \$ 16 million, which may be recognized over a weighted average period of 1.6 years based on attainment of targets.

The activity related to stock options granted by the Company for the year ended December 31, 2022 consisted of the following:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2021	1.1	\$ 56.04		
Granted	—	—		
Exercised	(0.1)	58.87		
Canceled	—	—		
Outstanding as of December 31, 2022	<u>1.0</u>	\$ 55.90	3.6	\$ 16
Unvested as of December 31, 2022	0.4 ^(a)	\$ 55.17	3.9	\$ 6
Exercisable as of December 31, 2022	0.6	\$ 56.30	3.5	\$ 10

(a) Unvested options as of December 31, 2022 are expected to vest over time and have an aggregate unrecognized compensation expense of \$ 2 million, which will be recognized over a weighted average period of 1.5 years.

The fair value of stock options granted by the Company were estimated on the date of the grant using the Black-Scholes option-pricing model with the relevant assumptions outlined in the table below. Expected volatility is based on both historical and implied volatilities of the stock of comparable companies over the estimated expected life of the options. The expected life represents the period of time the options are expected to be outstanding. The risk-free interest rate is based on yields on U.S. Treasury strips with a maturity similar to the estimated expected life of the options. The projected dividend yield was based on the Company's anticipated annual dividend divided by the price of the Company's stock on the date of the grant.

	2021	2020
Grant date fair value	\$19.58	\$8.59
Grant date strike price	\$65.21	\$53.40
Expected volatility	40.18%	24.30%
Expected life	4.25 years	4.25 years
Risk-free interest rate	0.40%	1.21%
Projected dividend yield	0.98%	2.40%

Stock-Based Compensation Expense

Stock-based compensation expense was \$33 million, \$28 million and \$21 million for 2022, 2021 and 2020, respectively. In 2020, \$2 million was recorded within restructuring costs on the Consolidated Statements of Income/(Loss).

17. SEGMENT INFORMATION

The reportable segments presented below represent the Company's operating segments for which separate financial information is available and is utilized on a regular basis by its chief operating decision maker to assess performance and allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management evaluates the operating results of each of its reportable segments based upon net revenues and "adjusted EBITDA", which is defined as net income/(loss) excluding net interest expense, depreciation and amortization, early extinguishment of debt charges, impairment charges, restructuring and related charges, contract termination costs, transaction-related items (acquisition-, disposition- or separation-related), (gain)/loss on asset sales, foreign currency impacts of highly inflationary countries, stock-based compensation expense, income taxes and development advance notes amortization. The Company believes that adjusted EBITDA is a useful measure of performance for its segments which, when considered with U.S. GAAP measures, allows a more complete understanding of its operating performance. The Company uses this measure internally to assess operating performance, both absolutely and in comparison to other companies, and to make day to day operating decisions, including in the evaluation of selected compensation decisions. The Company's presentation of adjusted EBITDA may not be comparable to similarly-titled measures used by other companies. During the first quarter of 2021, the Company modified the definition of adjusted EBITDA to exclude the amortization of development advance notes to reflect how the Company's chief operating decision maker reviews operating performance beginning in 2021. The Company has applied the modified definition of adjusted EBITDA to all periods presented.

	Hotel Franchising	Hotel Management	Corporate and Other (a)	Total
Year Ended or as of December 31, 2022				
Net revenues	\$ 1,277	\$ 221	\$ —	\$ 1,498
Adjusted EBITDA	679	37	(66)	650
Depreciation and amortization	63	5	9	77
Segment assets	3,711	113	299	4,123
Capital expenditures	33	—	6	39
Year Ended or as of December 31, 2021				
Net revenues	\$ 1,099	\$ 466	\$ —	\$ 1,565
Adjusted EBITDA	592	57	(59)	590
Depreciation and amortization	60	26	9	95
Segment assets	3,575	394	300	4,269
Capital expenditures	30	4	3	37
Year Ended or as of December 31, 2020				
Net revenues	\$ 863	\$ 437	\$ —	\$ 1,300
Adjusted EBITDA (b)	392	13	(69)	336
Depreciation and amortization	63	25	10	98
Segment assets	3,629	418	597	4,644
Capital expenditures	24	4	5	33

(a) Includes the elimination of transactions between segments.

(b) Adjusted EBITDA for 2020 has been recasted to conform with the current year presentation.

Provided below is a reconciliation of net income/(loss) to adjusted EBITDA.

	Year Ended December 31,		
	2022	2021	2020 ^(a)
Net income/(loss)	\$ 355	\$ 244	\$ (132)
Provision for/(benefit from) income taxes	121	91	(26)
Depreciation and amortization	77	95	98
Interest expense, net	80	93	112
Early extinguishment of debt	2	18	—
Stock-based compensation expense	33	28	19
Development advance notes amortization	12	11	9
Gain on asset sale, net	(35)	—	—
Separation-related expenses	1	3	2
Impairments, net	—	6	206
Restructuring costs	—	—	34
Transaction-related expenses, net	—	—	12
Foreign currency impact of highly inflationary countries	4	1	2
Adjusted EBITDA	<u>\$ 650</u>	<u>\$ 590</u>	<u>\$ 336</u>

(a) Adjusted EBITDA for 2020 has been recasted to conform with the current year presentation.

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries.

	United States		All Other Countries ^(a)		Total	
Year Ended or As of December 31, 2022						
Net revenues	\$	1,271	\$	227	\$	1,498
Net long-lived assets		3,126		104		3,230
Year Ended or As of December 31, 2021						
Net revenues	\$	1,366	\$	199	\$	1,565
Net long-lived assets		3,199		107		3,306
Year Ended or As of December 31, 2020						
Net revenues	\$	1,159	\$	141	\$	1,300
Net long-lived assets		3,334		184		3,518

(a) Includes U.S. territories.

18. OTHER EXPENSES AND CHARGES

Gain on Asset Sale, Net

In March 2022, the Company completed the sale of its Wyndham Grand Bonnet Creek Resort for gross proceeds of \$21 million (\$118 million, net of transaction costs) and recognized a \$35 million gain, net of transaction costs, for the year ended December 31, 2022 which was attributable to the Company's hotel management business and was reported within gain on asset sale, net on the Consolidated Statement of Income/(Loss). Additionally, the Company entered into a 20 year franchise agreement with the buyer.

In May 2022, the Company completed the sale of its Wyndham Grand Rio Mar Resort for gross proceeds of \$2 million (\$61 million, net of transaction costs). There was no gain or loss on the sale as the proceeds approximated adjusted net book value. Additionally, the Company entered into a 20 year franchise agreement with the buyer.

Separation-Related

The Company incurred separation-related costs associated with its spin-off from former Parent of \$ million, \$3 million and \$2 million during 2022, 2021 and 2020, respectively. During 2022 and 2021 these costs primarily consisted of legal and tax-related costs. During 2020 these costs primarily consisted of severance and other employee-related costs.

Impairments, Net

During the fourth quarter of 2021, the Company's Board approved a plan to sell its two owned hotels. As a result of the Board approval, the Company evaluated the recoverability of its owned hotels long-lived assets and in the fourth quarter of 2021, the Company recorded a \$6 million impairment charge which was reported within impairments, net on the Consolidated Statement of Income/(Loss). For more information, see Note 7 - Assets and Liabilities Held for Sale.

As a result of COVID-19 and the significant negative impact it has had on travel demand during 2020, the Company reviewed its intangible assets for potential impairment and determined that the carrying value of certain intangible assets were in excess of their fair values. Accordingly, the Company recorded impairment charges of \$205 million, in 2020, primarily related to certain trademarks and goodwill associated with its owned hotel reporting unit. See Note 9 - Intangible Assets for more information. Additionally, in 2020, the Company incurred a \$4 million non-cash impairment charge for the write-off of a receivable as a result of the Company's notice of termination of an unprofitable management agreement. In 2020, the Company also received \$3 million of cash related to a previously impaired asset. These charges were all reported within impairments, net on the Consolidated Statement of Income/(Loss).

Restructuring

The Company incurred \$34 million of charges during 2020, related to four restructuring initiatives implemented in response to COVID-19. Such plans resulted in a reduction of 846 employees during 2020. In addition, during 2019, the Company had implemented restructuring initiatives, primarily focused on enhancing its organizational efficiency and rationalizing its operations, as discussed below.

Restructuring charges by segment for the year ended December 31, 2020 were as follows:

	Year Ended December 31, 2020
Hotel Franchising	\$ 15
Hotel Management	3
Corporate and Other	16
Total	<u>\$ 34</u>

Below is the activity for the year ended December 31, 2021 relating to all four of the Company's restructuring plans implemented in 2020:

	Liability as of December 31, 2020	2021 Activity	Liability as of December 31, 2021
		Cash Payments	
Personnel-related	\$ 7	\$ (7)	\$ —
Facility-related	3	(3)	—
Total accrued restructuring	<u>\$ 10</u>	<u>\$ (10)</u>	<u>\$ —</u>

The following table presents activity for the year ended December 31, 2020 relating to restructuring activities by plan:

	Liability as of December 31, 2019	2020 Activity			Liability as of December 31, 2020
		Costs Recognized	Cash Payments	Other ^(a)	
2019 Plan					
Personnel-related	\$ 8	\$ —	\$ (7)	\$ (1)	\$ —
2020 Plans					
Personnel-related	—	28	(20)	(1)	7
Facility-related	—	5	(2)	—	3
Other	—	1	(1)	—	—
Total 2020 Plans	—	34	(23)	(1)	10
Total accrued restructuring	\$ 8	\$ 34	\$ (30)	\$ (2)	\$ 10

(a) Represents non-cash payments in Company stock.

Transaction-Related, Net

The Company incurred \$12 million of transaction-related expenses during the year ended December 31, 2020, which were primarily related to integration activities for the acquisition of La Quinta.

19. TRANSACTIONS WITH FORMER PARENT

The Company has a number of arrangements with its former Parent for services provided between both parties as described below.

License Agreement and Other Agreements with Former Parent

In connection with the Company’s spin-off, the Company and former Parent entered into long-term exclusive license agreements to retain former Parents’ affiliations with one of the hospitality industry’s top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-sell initiatives.

In connection with the Company’s license, development and non-competition agreement, the Company recorded license fees from former Parent in the amounts of \$3 million during 2022 and \$65 million during both 2021 and 2020. Further, the Company recorded revenues of \$10 million, \$9 million and \$13 million during 2022, 2021 and 2020, respectively, for activities associated with the Wyndham Rewards program. The Company also recorded license fees from a former affiliate of \$7 million, \$5 million and \$6 million during 2022, 2021 and 2020, respectively. Such fees are recorded within license and other fees on the Consolidated Statements of Income/(Loss).

Transfer of Former Parent Liabilities and Issuances of Guarantees to Former Parent and Affiliates

Upon the distribution of the Company’s common stock to former Parent stockholders, the Company entered into certain guarantee commitments with its former Parent. These guarantee arrangements relate to certain former Parent contingent tax and other corporate liabilities. The Company assumed and is responsible for one-third of such contingent liabilities while its former Parent is responsible for the remaining two-thirds. The amount of liabilities assumed by the Company in connection with the spin-off was \$17 million and \$18 million as of December 31, 2022 and 2021, respectively, which were included within other non-current liabilities on its Consolidated Balance Sheets. The Company also had a \$3 million and \$5 million liability due to its former Parent which was included within accrued expenses and other current liabilities on its Consolidated Balance Sheets as of December 31, 2022 and 2021, respectively. In addition, the Company had \$3 million and \$4 million of receivables due from former Parent as of December 31, 2022 and 2021, respectively, which were included within current assets on its Consolidated Balance Sheets.

Former Parent’s Sale of its European Vacation Rentals Business

In connection with the sale of the European Vacation Rentals business, the Company was entitled to one-third of the excess of net proceeds from the sale above a pre-set amount. During 2019, the Buyer notified former Parent of certain proposed post-closing adjustments of approximately \$44 million which could serve to reduce the net consideration received

from the sale of the European Vacation Rentals business. On December 13, 2021, former Parent entered into a settlement agreement, contingent upon regulatory approval, to settle the post-closing adjustment claims for \$7 million which was split one-third and two-thirds between the Company and former Parent, respectively. The Company had a \$2 million reserve for such settlement as of December 31, 2021. During the third quarter of 2022, the settlement was approved by the regulatory authority and as a result, the Company paid \$2 million for its obligation of the settlement and all claims on the Company were dismissed.

20. LEASES

The Company leases property and equipment under finance and operating leases. For leases with terms greater than one year, the Company records the related asset and obligation at the present value of lease payments over the term. The Company does not separate lease and non-lease components of equipment leases.

The table below presents the lease-related assets and liabilities recorded on the Consolidated Balance Sheets.

	Classification on the Balance Sheets	December 31, 2022	December 31, 2021
Assets			
Operating lease assets	Other non-current assets	\$ 11	\$ 14
Finance lease assets	Property and equipment, net	26	29
Total lease assets		<u>\$ 37</u>	<u>\$ 43</u>
Liabilities			
Current			
Operating lease liabilities	Accrued expenses and other current liabilities	\$ 4	\$ 4
Finance lease liabilities	Current portion of long-term debt	5	5
Non-current			
Operating lease liabilities	Other non-current liabilities	7	10
Finance lease liabilities	Long-term debt	40	45
Total lease liabilities		<u>\$ 56</u>	<u>\$ 64</u>

The table below presents the remaining lease term and discount rates for finance and operating leases.

	December 31, 2022	December 31, 2021
Weighted-average remaining lease term		
Operating leases	4.1 years	4.7 years
Finance leases	6.7 years	7.7 years
Weighted-average discount rate		
Operating leases	4.2 %	3.9 %
Finance leases	4.3 %	4.3 %

Undiscounted Cash Flows

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the finance lease liabilities and operating lease liabilities recorded on the Company's Consolidated Balance Sheet as of December 31, 2022.

	Operating Leases	Finance Leases
2023	\$ 4	\$ 7
2024	3	7
2025	2	8
2026	1	8
2027	1	8
Thereafter	1	13
Total minimum lease payments	12	51
Less: amount of lease payments representing interest	1	6
Present value of future minimum lease payments	11	45
Less: current obligations under leases	4	5
Long-term lease obligations	\$ 7	\$ 40

Other Information

Under the new accounting standard for leases, the Company recorded the following related to leases on the Consolidated Financial Statements:

Consolidated Statements of Cash Flows:

	Year Ended December 31,		
	2022	2021	2020
Operating activities			
Cash payments related to operating and finance leases	\$ 6	\$ 7	\$ 8
Financing activities			
Cash payments related to finance leases	5	5	5

Consolidated Statements of Income/(Loss):

	Year Ended December 31,		
	2022	2021	2020
operating lease expense	\$ 4	\$ 4	\$ 5
finance lease expense			
Amortization of right-of-use assets	4	4	4
interest expense	2	2	2

21. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The components of AOCI are as follows:

Net of Tax	Foreign Currency Translation Adjustments	Cash Flow Hedges	Accumulated Other Comprehensive Income/(Loss)
Balance as of December 31, 2019	\$ (1)	\$ (26)	\$ (27)
Period change	3	(28)	(25)
Balance as of December 31, 2020	\$ 2	\$ (54)	\$ (52)
Period change	—	37	37
Balance as of December 31, 2021	\$ 2	\$ (17)	\$ (15)
Period change	(5)	58	53
Balance as of December 31, 2022	\$ (3)	\$ 41	\$ 38

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
2.1	Separation and Distribution Agreement, dated as of May 31, 2018, between Wyndham Destinations, Inc. (now known as Travel + Leisure Co.) and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed June 4, 2018)
2.2	Agreement and Plan of Merger, dated January 17, 2018, among Wyndham Worldwide Corporation (now known as Travel + Leisure Co.), WHG BB Sub, Inc. and La Quinta Holdings, Inc. (incorporated by reference to Exhibit 2.2 to the Registrant's Amendment No. 1 to Form 10 filed April 19, 2018)
3.1	Second Amended & Restated Certificate of Incorporation of Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed May 13, 2020)
3.2	Third Amended and Restated By-Laws of Wyndham Hotels & Resorts, (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed on January 6, 2023)
4.1	Indenture, dated April 13, 2018, among Wyndham Hotels & Resorts, Inc., Wyndham Worldwide Corporation, as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to Amendment No. 1 to Form 10 filed April 19, 2018)
4.2	First Supplemental Indenture, dated April 13, 2018, between Wyndham Hotels & Resorts, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Amendment No. 1 to Form 10 filed April 19, 2018)
4.3	Second Supplemental Indenture, dated May 30, 2018, among Wyndham Hotels & Resorts, Inc., the New Guarantors (as defined in the Second Supplemental Indenture) and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed May 31, 2018)
4.4	Third Supplemental Indenture, dated May 31, 2018, between Wyndham Hotels & Resorts, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed June 4, 2018)
4.5	Fourth Supplemental Indenture, dated January 22, 2020 between Wyndham Hotels & Resorts, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.5 to the Registrant's Form 10-K filed February 13, 2020)
4.6	Fifth Supplemental Indenture, dated August 13, 2020, by and among Wyndham Hotels & Resorts, Inc., the guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed August 13, 2020)
4.7*	Sixth Supplemental Indenture, dated November 18, 2022, among Wyndham Hotels & Resorts, Inc., the New Guarantor (as defined in the Sixth Supplemental Indenture) and U.S. Bank National Association, as trustee
4.8	Form of 4.375% Note due 2028 (included in Exhibit 4.6)
4.9*	Description of Common Stock
10.1	Transition Services Agreement, dated as of May 31, 2018, between Wyndham Destinations, Inc. (now known as Travel + Leisure Co.) and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed June 4, 2018)
10.2	Tax Matters Agreement, dated as of May 31, 2018, between Wyndham Hotels & Resorts, Inc. and Wyndham Destinations, Inc. (now known as Travel + Leisure Co.) (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed June 4, 2018)
10.3	Employee Matters Agreement, dated as of May 31, 2018, between Wyndham Destinations, Inc. (now known as Travel + Leisure Co.) and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed June 4, 2018)
10.4	License, Development and Noncompetition Agreement, dated as of May 31, 2018, among Wyndham Destinations, Inc. (now known as Travel + Leisure Co.), Wyndham Hotels and Resorts, LLC, Wyndham Hotels & Resorts, Inc., Wyndham Hotel Group Europe Limited, Wyndham Hotel Hong Kong Co. Limited, and Wyndham Hotel Asia Pacific Co. Limited (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K filed June 4, 2018)
10.5	Credit Agreement, dated as of May 30, 2018, among Wyndham Hotels & Resorts, Inc., the guarantors party thereto from time to time, Bank of America, N.A., as Administrative and Collateral Agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed May 31, 2018)
10.6	First Amendment, dated as of April 30, 2020, to the Credit Agreement, dated as of May 30, 2018, among Wyndham Hotels & Resorts, Inc., the several lenders and letter of credit issuers from time to time party thereto, Bank of America, N.A., as administrative agent, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed May 4, 2020)
10.7	Second Amendment, dated as of August 10, 2020 to the Credit Agreement, dated as of May 30, 2018, as amended by the First Amendment, dated as of April 30, 2020, with Bank of America, N.A., as administrative agent, the several lenders from time to time party thereto, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed August 11, 2020)
10.8	Third Amendment, dated as of April 8, 2022, to the Credit Agreement, dated as of May 30, 2018, as amended by the First Amendment, dated as of April 30, 2020, and the Second Amendment, dated as of August 10, 2020, with Bank of America, N.A., as administrative agent, the several lenders from time to time party thereto, and the other parties thereto (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed April 8, 2022)

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10.9	Wyndham Hotels & Resorts, Inc. 2018 Equity and Incentive Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Form 8-K filed June 4, 2018)
10.10	Wyndham Hotels & Resorts, Inc. Officer Deferred Compensation Plan (incorporated by reference to Exhibit 10.12 to the Registrant's Form 8-K filed June 4, 2018)
10.11	Wyndham Hotels & Resorts, Inc. Non-Employee Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.13 to the Registrant's Form 8-K filed June 4, 2018)
10.12	Wyndham Hotels & Resorts, Inc. Savings Restoration Plan (incorporated by reference to Exhibit 10.14 to the Registrant's Form 8-K filed June 4, 2018)
10.13	Form of Award Agreement for Restricted Stock Units (incorporated by reference to Exhibit 10.11 to Amendment No. 1 to Form 10 filed April 19, 2018)
10.14	Form of Award Agreement for Stock-Settled Stock Appreciation Rights (incorporated by reference to Exhibit 10.14 to Amendment No. 1 to Form 10 filed April 19, 2018)
10.15	Form of Award Agreement for Performance-Vested Restricted Stock Units (incorporated by reference to Exhibit 10.15 to Amendment No. 1 to Form 10 filed April 19, 2018)
10.16	Form of Award Agreement for Non-Qualified Stock Options (incorporated by reference to Exhibit 10.16 to Amendment No. 1 to Form 10 filed April 19, 2018)
10.17	Letter Agreement, dated as of June 1, 2018, between Wyndham Hotels & Resorts, Inc. and Stephen P. Holmes (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K filed June 4, 2018)
10.18	Amended & Restated Employment Agreement, dated as of February 23, 2021, between Wyndham Hotels & Resorts, Inc. and Geoffrey A. Ballotti (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed April 29, 2021)
10.19*	Amended and Restated Employment Agreement, dated as of November 7, 2022, between Wyndham Hotels & Resorts, Inc. and Michele Allen
10.20	Employment Letter, dated as of May 16, 2018, between Wyndham Hotels & Resorts, Inc. and Paul F. Cash (incorporated by reference to Exhibit 10.21 to the Registrant's Form 10-K filed February 14, 2019)
10.21	Employment Letter, dated as of February 25, 2020, between Wyndham Hotels & Resorts, Inc. and Lisa Checchio (incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-K filed February 12, 2021)
10.22*	Employment Letter, Dated as of February 15, 2020, between Wyndham Hotels & Resorts, Inc. and Scott Strickland
21.1*	Subsidiaries of Registrant
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Certification of President and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32**	Certification of President and Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* Filed herewith.

** Furnished with this report.

SIXTH SUPPLEMENTAL INDENTURE

SIXTH SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of November 18, 2022, among WHR Europe, Inc. and WHG Caribbean Holdings, Inc. (each, a "New Guarantor" and together, the "New Guarantors"), each a subsidiary of Wyndham Hotels & Resorts, Inc. (or its successor), a Delaware corporation (the "Company"), and U.S. Bank National Association, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH:

WHEREAS, the Company, the Trustee and the guarantors party thereto from time to time are parties to that certain Indenture, dated as of April 13, 2018 (as supplemented by the Third Supplemental Indenture, dated as of May 31, 2018, the "Base Indenture"), as supplemented by the Fifth Supplemental Indenture, dated as of August 13, 2020 (the "Fifth Supplemental Indenture" and, together with the Base Indenture, the "Indenture");

WHEREAS Section 4.10 of the Fifth Supplemental Indenture provides that under certain circumstances the Company is required to cause the New Guarantors to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantors shall unconditionally guarantee all the Company's obligations under the Notes and the Indenture pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Fifth Supplemental Indenture, the Trustee and the Company are authorized to execute and deliver this Supplemental Indenture without the consent of Holders;

WHEREAS Section 10.06 of the Base Indenture provides that under certain circumstances the Company is required to cause the New Guarantors to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantors shall unconditionally guarantee all the Company's obligations under the Notes and the Indenture pursuant to a Note Guarantee on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Guarantors, the Company and the Trustee mutually covenant and agree for the equal and ratable benefit of Holders as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term "holders" in this Supplemental Indenture shall refer to the term "holders" as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such holders. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The New Guarantor hereby agrees, jointly and severally with all existing guarantors (if any), to unconditionally guarantee the Company's obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Article X of the Indenture, including without limitation the release provisions thereof, and to be bound by all other applicable provisions of the Indenture and the Notes and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Guarantors shall be given as provided in Section 11.02 of the Indenture.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

6. Trustee Makes No Representation.

(a) The Trustee shall not be responsible for and makes no representation as to the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which are made solely by the other parties hereto.

(b) The rights, protections, indemnities and immunities of the Trustee and its agents as enumerated under the Base Indenture are incorporated by reference into this Supplemental Indenture.

7. Counterparts. This Supplemental Indenture may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument. Each of the parties agree that this Supplemental Indenture and any other documents to be delivered in connection herewith and therewith may be electronically signed, that any digital or electronic signatures (including pdf, facsimile or electronically imaged signatures provided by DocuSign or any other digital signature provider as specified in writing to the Company) appearing on this Supplemental Indenture or such other documents are the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and that delivery of any such electronic signature to, or a signed copy of, this Supplemental Indenture and such other documents may be made by facsimile, email or other electronic transmission.

8. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

WHR Europe, Inc.
WHG Caribbean Holdings, Inc.,
as New Guarantors

By: /s/Barry Goldschmidt
Name: Barry Goldschmidt
Title: Treasurer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/Michelle Mena-Rosado
Name: Michelle Mena-Rosado
Title: Vice President

WYNDHAM HOTELS & RESORTS, INC.

The following summary describes the common stock, par value \$0.01 per share, of Wyndham Hotels & Resorts, Inc. (“Wyndham Hotels,” “our company,” “we,” “us,” and “our”), which are the only securities of Wyndham Hotels registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended.

The following description is a summary and does not purport to be complete. It is subject to, and qualified in its entirety by reference to, our certificate of incorporation (our “certificate of incorporation”) and our by-laws (our “by-laws”), each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K of which this Exhibit 4.9 is a part. In addition, you should refer to the General Corporation Law of the State of Delaware (the “DGCL”), which may also affect the terms of our capital stock.

Authorized Capital Stock

We are authorized to issue a total of 606 million shares of capital stock consisting of (i) 600 million shares of common stock, par value \$0.01 per share, and (ii) 6 million shares of preferred stock, par value \$0.01 per share.

Common Stock

Dividends. Subject to prior dividend rights of the holders of any preferred shares, holders of shares of our common stock are entitled to receive dividends when, as and if declared by our Board of Directors out of funds legally available for that purpose. We are incorporated in Delaware and are governed by Delaware law. Delaware law allows a corporation to pay dividends only out of surplus, as determined under Delaware law, or, if no such surplus exists, out of the corporation's net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year (provided that such payment will not reduce capital below the amount of capital represented by all classes of shares having a preference upon the distribution of assets).

Voting Rights. Each share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of our common stock do not have cumulative voting rights. In other words, a holder of a single share of common stock cannot cast more than one vote for each position to be filled on our Board of Directors. A consequence of not having cumulative voting rights is that the holders of a majority of the shares of common stock entitled to vote in the election of Directors can elect all Directors standing for election, which means that the holders of the remaining shares will not be able to elect any Directors.

Liquidation Rights. In the event of any liquidation, dissolution or winding up of our company, after the satisfaction in full of the liquidation preferences of holders of any preferred shares, holders of shares of our common stock are entitled to ratable distribution of the remaining assets available for distribution to stockholders. The shares of our common stock are not subject to redemption by operation of a sinking fund or otherwise. Holders of shares of our common stock are not currently entitled to pre-emptive rights.

Fully Paid. All of our outstanding shares of common stock are fully paid and nonassessable. The holders of our common stock have no preemptive rights and no rights to convert their common stock into any other securities, and our common stock is not subject to any redemption or sinking fund provisions.

Preferred Stock

We are authorized to issue up to 6 million shares of preferred stock, par value \$0.01 per share.

Our Board of Directors, without further action by the holders of our common stock, may issue shares of our preferred stock. Our Board of Directors is vested with the authority to fix by resolution the designations, preferences and relative, participating, optional or other special rights, and such qualifications, limitations or restrictions thereof, including, without limitation, redemption rights, dividend rights, liquidation preference and conversion or exchange rights of any class or series of preferred stock, and to fix the number of classes or series of preferred stock, the number of shares constituting any such class or series and the voting powers for each class or series.

The authority possessed by our Board of Directors to issue preferred stock could potentially be used to discourage attempts by third-parties to obtain control of our company through a merger, tender offer, proxy contest

or otherwise by making such attempts more difficult or more costly. Our Board of Directors may issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock. There are no current agreements or understandings with respect to the issuance of preferred stock and our Board of Directors has no present intention to issue any shares of preferred stock.

Anti-Takeover Effects of Our Certificate of Incorporation, By-laws and Delaware Law

Our certificate of incorporation, our by-laws and Delaware statutory law contain provisions that may impact the prospect of an acquisition of our company by means of a tender offer or a proxy contest. These provisions may discourage coercive takeover practices and inadequate takeover bids. We believe that the benefits of such increased protection would give us the potential ability to negotiate with the proponent of an unsolicited proposal to acquire or restructure us and outweigh the disadvantages of discouraging those proposals because negotiation of the proposals could result in an improvement of their terms.

Election and Removal of Directors

Our certificate of incorporation and by-laws contain provisions that establish specific procedures for appointing and removing members of our board of directors. As of the 2021 annual meeting of stockholders, our board of directors is no longer classified under Section 141(d) of the Delaware General Corporation Law and Directors are no longer divided into three classes and may be removed with or without cause.

Under our certificate of incorporation and a by-laws, each Director is elected to serve a term of one year, with each Director's term expiring at the annual meeting of stockholders next following such Director's election. Newly created directorships resulting from any increase in our authorized number of Directors will be filled by a majority of our Board of Directors then in office, provided that a majority of our entire Board of Directors, or a quorum, is present, and any vacancies in our Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled generally by the majority vote of our remaining Directors in office, even if less than a quorum is present. In the case of an uncontested Director election at which a quorum is present, the election will be determined by a majority of the votes cast by the stockholders entitled to vote therein, with any Directors not receiving a majority of the votes cast required to tender their resignations following the certification of the stockholder vote. The Corporate Governance Committee will promptly consider the tendered resignation and will recommend to the Board of Directors whether to accept the tendered resignation or to take some other action, such as rejecting the tendered resignation and addressing the apparent underlying causes of the withheld votes. In making this recommendation, the Corporate Governance Committee will consider all factors deemed relevant by its members. In the case of a contested election, the election will be determined by a plurality of the votes cast by the stockholders entitled to vote in the election.

Size of Board

Our certificate of incorporation and by-laws provide that our Board of Directors may consist of no less than three and no more than 15 Directors. The number of Directors on our Board of Directors will be fixed exclusively by our Board of Directors, subject to the minimum and maximum number permitted by our certificate of incorporation and by-laws.

Elimination of Stockholder Action by Written Consent

Our certificate of incorporation and by-laws expressly eliminate the right of our stockholders to act by written consent. Stockholder action must take place at the annual or a special meeting of our stockholders.

Stockholder Meetings

Under our certificate of incorporation and by-laws, only the chairman of our Board of Directors or our chief executive officer will be able to call special meetings of our stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our by-laws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as Directors other than nominations made by or at the direction of our Board of Directors or a committee of our Board of Directors.

Delaware Anti-takeover Law

We are subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date such person becomes an interested stockholder, unless the business combination or the transaction in which such person becomes an interested stockholder is approved in a prescribed manner. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an “interested stockholder” is a person that, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by our Board of Directors and the anti-takeover effect includes discouraging attempts that might result in a premium over the market price for the shares of our common stock.

Access to Proxy

Our by-laws provide for “proxy access” that allows a stockholder, or a group of up to twenty stockholders, owning at least three percent of our outstanding stock continuously for at least three years, to nominate and include in our annual meeting proxy materials director nominees constituting up to the greater of two directors or twenty percent of the Board of Directors, provided that the stockholders and director nominees satisfy the disclosure and procedural requirements specified in the by-laws.

No Cumulative Voting

Our certificate of incorporation and by-laws do not provide for cumulative voting in the election of Directors.

Undesignated Preferred Stock

The authorization in our certificate of incorporation of undesignated preferred stock makes it possible for our Board of Directors to issue our preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. The provision in our certificate of incorporation authorizing such preferred stock may have the effect of deferring hostile takeovers or delaying changes of control of our management.

Amendments to Our Certificate of Incorporation and By-laws

The DGCL provides generally that the affirmative vote of a majority of the outstanding stock entitled to vote on amendments to a corporation’s certificate of incorporation or bylaws is required to approve such amendment, unless a corporation’s certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our certificate of incorporation and by-laws provide that the by-laws may be amended, altered, changed or repealed by a majority vote of our Board of Directors, provided that, in addition to any other vote otherwise required by law, our by-laws may also be amended, altered, changed or repealed by the affirmative vote of at least a majority of the voting power of our outstanding shares of capital stock.

Exclusive Jurisdiction of Certain Actions

Our by-laws require, to the fullest extent permitted by law that derivative actions brought in the name of Wyndham Hotels, actions against Directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware. Although we believe this provision benefits Wyndham Hotels by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our Directors and officers. Our by-laws also provide that the U.S. federal district courts shall be the exclusive forum for the resolution of claims under the Securities Act of 1933, as amended.

Limitations on Liability of Directors and Indemnification of Directors and Officers

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement in connection with any threatened, pending or completed actions, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person is made a party by reason of the fact that the person is or was a director, officer, employee or agent of the corporation (other than an action by or in the right of the corporation—a “derivative action”), if such person acted in good faith and in a manner such person reasonably

believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's by-laws, disinterested director vote, stockholder vote, agreement or otherwise.

Our certificate of incorporation provides that no Director shall be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a Director, except to the extent such exemption from liability or limitation on liability is not permitted under the DGCL, as now in effect or as amended. Currently, Section 102(b)(7) of the DGCL requires that liability be imposed for the following:

- any breach of the Director's duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or which involved intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; and
- any transaction from which the Director derived an improper personal benefit.

Our certificate of incorporation and by-laws provide that, to the fullest extent authorized or permitted by the DGCL, as now in effect or as amended, we will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was our Director or officer, or by reason of the fact that our Director or officer is or was serving, at our request, as a Director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by us. We will indemnify such persons against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if such person acted in good faith and in a manner reasonably believed to be in or not opposed to our best interests and, with respect to any criminal proceeding, had no reason to believe such person's conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such actions, and court approval is required before there can be any indemnification where the person seeking indemnification has been found liable to us. Any amendment of this provision will not reduce our indemnification obligations relating to actions taken before an amendment.

We insure our Directors and officers and those of our subsidiaries against certain liabilities they may incur in their capacities as Directors and officers. Under these policies, the insurer, on our behalf, may also pay amounts for which we have granted indemnification to the Directors or officers.

Listing

Our shares of common stock are listed on the New York Stock Exchange and trade under the ticker symbol "WH."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Broadridge Corporate Issuer Solutions, Inc.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (this “**Agreement**”), dated as of November 7, 2022 (the “**Effective Date**”), is hereby made by and between Wyndham Hotels & Resorts, Inc., a Delaware corporation (the “**Company**”), and Michele Allen (the “**Executive**”).

WHEREAS, the Executive and the Company are parties to an Employment Agreement dated as of December 3, 2019 (the “**Original Effective Date**”) that expires December 3, 2022 (the “**Prior Agreement**”);

WHEREAS, the Company desires to continue to employ the Executive, and the Executive desires to serve the Company, in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

SECTION I

EMPLOYMENT; POSITION AND RESPONSIBILITIES

During the Period of Employment (as defined in Section II below), the Company agrees to employ the Executive and the Executive agrees to be employed by the Company in accordance with the terms and conditions set forth in this Agreement.

During the Period of Employment, the Executive will serve as the Chief Financial Officer of the Company and will report to, and be subject to the direction of, the Chief Executive Officer of the Company (the “**Supervising Officer**”). The Executive will perform such duties and exercise such supervision with regard to the business of the Company as are associated with the Executive’s position, as well as such reasonable additional duties as may be prescribed from time to time by the Supervising Officer. The Executive will, during the Period of Employment, devote substantially all of the Executive’s time and attention during normal business hours to the performance of services for the Company, or as otherwise directed by the Supervising Officer from time to time. The Executive will maintain a primary office and generally conduct the Executive’s business in Parsippany, New Jersey, except for customary business travel in connection with the Executive’s duties hereunder.

SECTION II

PERIOD OF EMPLOYMENT

The period of the Executive’s employment under this Agreement (the “**Period of Employment**”) will begin on the Effective Date and will end on May 31, 2026, subject to earlier termination as provided in this Agreement. No later than 180 days prior to the expiration of the Period of Employment, the Company and the Executive will commence a good faith negotiation regarding extending the Period of Employment; provided, that neither party hereto will have any obligation hereunder or otherwise to consummate any such extension or enter into any new agreement relating to the Executive’s employment with the Company.

SECTION III

COMPENSATION AND BENEFITS

For all services rendered by the Executive pursuant to this Agreement during the Period of Employment, including services as an executive officer, director or committee member of the Company or any subsidiary or affiliate of the Company, the Executive will be compensated as follows:

A. Base Salary.

During the Period of Employment, the Company will pay the Executive a base salary at an annual rate equal to no less than Six Hundred Thousand Dollars (\$600,000) effective on the Effective Date, subject to such annual increases as the Company's Board of Directors' Compensation Committee (the "**Committee**") deems appropriate in its sole discretion ("**Base Salary**"). Base Salary will be payable according to the customary payroll practices of the Company.

B. Annual Incentive Awards.

The Executive will be eligible to earn an annual incentive compensation award in respect of each fiscal year of the Company ending during the Period of Employment, subject to the Committee's discretion to grant such awards, based upon a target award opportunity equal to no less than 75% of Base Salary ("**Target Award**") earned during each such year, and subject to the terms and conditions of the annual incentive plan covering employees of the Company, and further subject to attainment of such performance goals, criteria or targets established and certified by the Committee in its sole discretion in respect of each such fiscal year (each such annual incentive, an "**Incentive Compensation Award**"). The Executive's Incentive Compensation Award for the fiscal year in which the Effective Date occurs and for any other fiscal year in which the Executive's employment pursuant to this Agreement is for less than the entire year will be pro-rated based upon eligible earnings for the period from the Effective Date through the end of such fiscal year. Any earned Incentive Compensation Award will be paid to the Executive at such time as will be determined by the Committee pursuant to the annual incentive plan, but in no event later than the last day of the calendar year following the calendar year with respect to which the performance targets relate.

C. Long Term Incentive Awards.

The Executive will be eligible for long term incentive awards as determined by the Committee, and the Executive will participate in such grants at a level commensurate with the Executive's position as a senior executive officer of the Company. For purposes of this Agreement, awards described in this paragraph are referred to as "**Long Term Incentive Awards**." Any Long Term Incentive Awards will vest as determined by the Committee, in its sole and absolute discretion (including with respect to any performance-based conditions applicable to vesting), and will be subject to the terms and conditions of the Company's 2018 Equity and Incentive Plan and any amended or successor plan thereto (the "**Equity Plan**") and the applicable agreement evidencing such award as determined by the Committee. Any Long Term Incentive Awards will be made in the Committee's sole discretion.

D. Employee Benefits.

During the Period of Employment, the Company will provide the Executive with employee benefits generally offered to all eligible full-time employees of the Company, and with

perquisites generally offered to similarly-situated senior executive officers of the Company, subject to the terms of the applicable plans or policies of the Company.

E. Expenses.

During the Period of Employment, the Company will reimburse the Executive for reasonable business expenses incurred by the Executive in connection with the performance of the Executive's duties and obligations under this Agreement, subject to the Executive's compliance with such limitations and reporting requirements with respect to expenses as may be established by the Company under its plans and policies from time to time. The Company will reimburse all taxable business expenses to the Executive promptly following submission but in no event later than the last day of the Executive's taxable year following the taxable year in which the expenses are incurred.

SECTION IV

DEATH AND DISABILITY

The Period of Employment will end upon the Executive's death. If the Executive becomes Disabled (as defined below) during the Period of Employment, the Period of Employment may be terminated at the option of the Executive upon notice of resignation to the Company, or at the option of the Company upon notice of termination to the Executive. For purposes of this Agreement, "**Disability**" will have the meaning set forth in Section 409A of the Internal Revenue Code of 1986 (as amended from time to time, the "**Code**"), and the rules and regulations promulgated thereunder ("**Code Section 409A**"). The Company's obligation to make payments to the Executive under this Agreement will cease as of such date of termination due to death or Disability, except that (a) any Base Salary earned but unpaid, (b) any Incentive Compensation Awards owed but unpaid for a prior completed fiscal year, if any, and (c) any Long Term Incentive Awards earned and vested but unpaid for a prior completed fiscal year, if any, as of the date of such termination, will be paid in accordance with the terms described in Sections III-A, III-B and III-C, respectively, unless otherwise prohibited by law. Notwithstanding the foregoing, the Company will not take any action with respect to the Executive's employment status pursuant to this Section IV earlier than the date on which the Executive becomes eligible for long-term disability benefits under the terms of the Company's long-term disability plan in effect from time to time.

SECTION V

EFFECT OF TERMINATION OF EMPLOYMENT

A . Without Cause Termination and Constructive Discharge. If the Executive's employment terminates during the Period of Employment due to either a Without Cause Termination or a Constructive Discharge (each as defined below), the Company will pay or provide the Executive, as applicable (or the Executive's surviving spouse, estate or personal representative, as applicable), subject to Section XVIII:

i. a lump sum payment (the "**Severance Payment**") equal to 200% multiplied by the sum of (x) the Executive's then current Base Salary, plus (y) an amount equal to the highest single annual Incentive Compensation Award paid to the Executive (disregarding voluntary deferrals) for a year in the three fiscal year period of the Company immediately preceding the fiscal year in which the Executive's termination of employment occurs, but in no event will the amount set forth in this subsection (y) exceed the Executive's then Target Award, provided, that the Company shall have the right to offset against such Severance Payment any

then-existing documented and bona fide monetary debts owed by the Executive to the Company or any of its subsidiaries;

ii. subject to Section V-D below, (x) all time-based Long Term Incentive Awards (including all stock options, stock appreciation rights and restricted stock units) granted on or after the Original Effective Date, which would have otherwise vested within one (1) year following the Executive's termination of employment, will vest upon the Executive's termination of employment; and (y) any performance-based Long Term Incentive Awards (including restricted stock units but excluding stock options and stock appreciation rights) granted on or after the Original Effective Date will vest and be paid on a pro rata basis (to the extent that the performance goals applicable to the Long Term Incentive Award are achieved), with such proration to be determined based upon the portion of the full performance period during which the Executive was employed by the Company plus twelve (12) months (but not to exceed 100%), with the payment of any such vested performance-based Long Term Incentive Awards to occur at the time that such performance-based long term incentive awards are paid, if applicable, to actively-employed employees generally. The provisions relating to Long Term Incentive Awards set forth in this Section will not supersede or replace any provision or right of the Executive relating to the acceleration of the vesting of such awards in the event of a Change in Control (as defined in the Equity Plan) of the Company or the Executive's death or Disability, whether pursuant to the Equity Plan or another applicable equity plan document or award agreement;

iii. the Executive will be entitled to a two (2)-year post-termination exercise period (but in no event beyond the original expiration date) for all vested and outstanding stock appreciation rights and options (if any) held by the Executive on the date of termination;

iv. the Executive shall be eligible to continue to participate in the Company health plans in which the Executive participates (medical, dental and vision) through the end of the month in which the Executive's termination becomes effective. As a result of such termination of participation, the Executive may elect to continue health plan coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act ("**COBRA**"), and if the Executive elects such coverage, the Company will reimburse the Executive for the costs associated with such continuing health coverage under COBRA until the earlier of (x) eighteen (18) months from the coverage commencement date or (y) the date on which the Executive becomes eligible for health and medical benefits from a subsequent employer; and

v. any of the following amounts that are earned but unpaid through the date of such termination: (x) Incentive Compensation Award for a prior completed fiscal year and (y) Base Salary. The Executive shall retain any Long Term Incentive Awards that have vested and been paid to the Executive as of the date of such termination, unless otherwise prohibited by law.

B. Termination for Cause; Resignation. If the Executive's employment terminates due to a Termination for Cause or a Resignation, Base Salary earned but unpaid as of the date of such termination will be paid to the Executive in accordance with Section V-D below. Outstanding stock options and other equity awards held by the Executive as of the date of termination will be treated in accordance with their terms. Except as provided in this paragraph, the Company will have no further obligations to the Executive hereunder.

C. For purposes of this Agreement, the following terms have the following meanings:

i. **“Termination for Cause”** means a termination of the Executive’s employment by the Company due to (a) the Executive’s willful failure to substantially perform the Executive’s duties as an employee of the Company or any of its subsidiaries (other than any such failure resulting from incapacity due to physical or mental illness) or material breach of the Company’s Business Principles, policies or standards, (b) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct by the Executive against the Company or any of its subsidiaries, (c) the Executive’s conviction or plea of nolo contendere for a felony (or its state law equivalent) or any crime involving moral turpitude or dishonesty (which conviction, due to the passage of time or otherwise, is not subject to further appeal), (d) the Executive’s gross negligence in the performance of the Executive’s duties, or (e) the Executive purposely or negligently making a false certification regarding the Company’s financial statements. The Company will provide a detailed written notice to the Executive of its intention to terminate the Executive’s employment and that such termination is a Termination for Cause, along with a description of the Executive’s conduct that the Company believes gives rise to the Termination for Cause, and provide the Executive with a period of fifteen (15) days to cure such conduct (unless the Company reasonably determines in its discretion that the Executive’s conduct is not subject to cure) and/or challenge the Company’s determination that such termination is a Termination for Cause; provided, however, that (x) the determination of whether such conduct has been cured and/or gives rise to a Termination for Cause will be made by the Company, in its sole discretion, and (y) the Company will be entitled to immediately and unilaterally restrict or suspend the Executive’s duties during such fifteen (15)-day period pending its determination.

ii. **“Constructive Discharge”** means, without the consent of the Executive, (a) any material breach by the Company of the terms of this Agreement (including Section XI), (b) a material diminution in the Executive’s Base Salary or Target Award, (c) a material diminution in the Executive’s authority, duties or responsibilities, (d) a relocation (other than a temporary relocation due to pandemic conditions) of the Executive’s primary office to a location more than fifty (50) miles from the Executive’s then current primary business, or (e) the Company not offering to renew the Executive’s employment agreement on substantially similar terms prior to the end of the Period of Employment (as may be extended from time to time). The Executive must provide the Company a detailed written notice that describes the circumstances being relied on for such termination with respect to this Agreement within thirty (30) days after the event, circumstance or condition first arose giving rise to the notice. The Company will have thirty (30) days after receipt of such notice to remedy the situation prior to the termination for Constructive Discharge. If no such cure occurs, the Executive’s employment will be terminated on the close of business on the thirtieth (30th) day after the Executive provided the required written notice.

iii. **“Without Cause Termination”** or **“Terminated Without Cause”** means termination of the Executive’s employment by the Company other than due to (a) the Executive’s death or Disability or (b) a Termination for Cause.

iv. **“Resignation”** means a termination of the Executive’s employment by the Executive, other than in connection with a Constructive Discharge.

D. **Conditions to Payment and Acceleration.** In the event of a termination under this Section V, any earned but unpaid Base Salary as of the date of such termination will be paid in accordance with Section III-A, and in the event of a Termination Without Cause or a Constructive Discharge, any earned but unpaid Incentive Compensation Award for a prior completed fiscal year as of the date of such termination will be paid in accordance with Section III-B, and for the avoidance of doubt, the Executive shall retain any Long Term Incentive Awards that have vested and been paid to the Executive as of the date of such termination, unless otherwise prohibited by law. All payments due to the Executive under

Sections V-A(i) will be made to the Executive in a lump sum no later than the sixtieth (60th) day following the date of termination; provided, however, that (i) all payments and benefits under Sections V-A(i) - (iii) will be subject to, and contingent upon, the execution by the Executive (or the Executive's beneficiary or estate) of a general release of claims in such reasonable form determined by the Company in its reasonable discretion, and (ii) in the event that the period during which the Executive is entitled to consider such general release of claims (and to revoke the release, if applicable) spans two calendar years, then any payment that otherwise would have been payable during the first calendar year will be made, assuming a timely execution of the release, on the later of (x) the end of the revocation period (assuming that the Executive does not revoke), or (y) the first business day of the second calendar year (regardless of whether the Executive used the full time period allowed for consideration), all as required for purposes of Code Section 409A. The payments due to the Executive under Section V-A will be in lieu of any other severance benefits otherwise payable to the Executive under any severance plan of the Company or its affiliates. For the sake of clarity, the Executive will not be entitled to severance benefits under both this Agreement and another severance arrangement of the Company or its affiliates. The Company will provide the general release to the Executive within ten (10) business days following the Executive's last day of employment.

SECTION VI

OTHER DUTIES OF THE EXECUTIVE DURING AND AFTER THE PERIOD OF EMPLOYMENT

A. The Executive will, with reasonable notice during or after the Period of Employment, furnish information as may be in the Executive's possession and fully cooperate with the Company and its affiliates as may be requested in connection with any claims or legal actions in which the Company or any of its affiliates is or may become a party or otherwise involved. During the Period of Employment, the Executive will comply in all respects with the Company's Business Principles, policies and standards. After the Period of Employment, the Executive will cooperate as reasonably requested with the Company and its affiliates in connection with any claims or legal actions in which the Company or any of its affiliates is or may become a party or otherwise involved. The Company agrees to reimburse the Executive for any reasonable out-of-pocket expenses incurred by the Executive by reason of such cooperation, including any loss of salary due, to the extent permitted by law, and the Company will make reasonable efforts to minimize interruption of the Executive's life in connection with the Executive's cooperation in such matters as provided for in this Section VI-A.

B. The Executive recognizes and acknowledges that all information pertaining to this Agreement or to the affairs; business; results of operations; accounting methods, practices and procedures; members; acquisition candidates; financial condition; clients; customers or other relationships of the Company or any of its affiliates ("**Information**") is confidential and is a unique and valuable asset of the Company or any of its affiliates. Access to and knowledge of certain of the Information is essential to the performance of the Executive's duties under this Agreement. The Executive will not, during the Period of Employment or thereafter, except to the extent reasonably necessary in performance of the Executive's duties under this Agreement, give to any person, firm, association, corporation, or governmental agency any Information, except as may be required by law. The Executive will not make use of the Information for the Executive's own purposes or for the benefit of any person or organization other than the Company or any of its affiliates. The Executive will also use the Executive's best efforts to prevent the disclosure of this Information by others. All records, memoranda, etc. relating to the business of the Company or its affiliates, whether made by the Executive or otherwise coming into the Executive's possession, are confidential and will remain the property of the Company or its affiliates.

C. The Executive agrees to comply with the covenants set forth in this Section VI-C unless otherwise prohibited by applicable law.

i. During the Period of Employment (as may be extended from time to time) and the Post Employment Period (as defined below and, together with the Period of Employment, the “**Restricted Period**”), irrespective of the cause, manner or time of any termination, the Executive will not use the Executive’s status with the Company or any of its affiliates to obtain loans, goods or services from another organization on terms that would not be available to the Executive in the absence of the Executive’s relationship to the Company or any of its affiliates. Notwithstanding the provisions set forth herein, the Executive may disclose the Executive’s employment relationship with the Company in connection with a personal loan application.

ii. During the Restricted Period, the Executive will not make any statements or perform any acts intended to advance or which reasonably could have the effect of advancing the interest of any competitors of the Company or any of its affiliates or in any way injuring or intending to injure the interests of the Company or any of its affiliates. During the Restricted Period, the Executive will not, without the express prior written consent of the Company which may be withheld in the Company’s sole and absolute discretion, engage in, or directly or indirectly (whether for compensation or otherwise), own or hold any proprietary interest in, manage, operate, or control, or join or participate in the ownership, management, operation or control of, or furnish any capital to or be connected in any manner with, any party or business which competes with the business of the Company or any of its affiliates, as such business or businesses may be conducted from time to time during the Executive’s employment or period of service with the Company or any of its affiliates, either as a general or limited partner, proprietor, common or preferred shareholder, officer, director, agent, employee, consultant, trustee, affiliate, or otherwise. The Executive acknowledges that the Company’s and its affiliates’ businesses are conducted nationally and internationally and agrees that the provisions in the foregoing sentence will operate throughout the United States and the world.

iii. During the Restricted Period, the Executive will not, without the express prior written consent of the Company which may be withheld in the Company’s sole and absolute discretion, directly or indirectly, request or advise any then current client, customer or supplier of the Company to withdraw, curtail or cancel its business with the Company or any of its affiliates, or solicit or contact any such client, customer or supplier with a view to inducing or encouraging such client, customer or supplier to discontinue or curtail any business relationship with the Company or any of its affiliates. The Executive will not have discussions with any employee of the Company or any of its affiliates regarding information or plans for any business intended to compete with the Company or any of its affiliates.

iv. During the Restricted Period, the Executive will not, without the express prior written consent of the Company which may be withheld in the Company’s sole and absolute discretion, directly or indirectly cause, solicit, entice or induce (or endeavor to cause, solicit, entice or induce) any present or future employee or independent contractor of the Company or any of its affiliates to leave the employ of, or otherwise terminate its relationship with, the Company or any of its affiliates or to accept employment with, provide services to or receive compensation from the Executive or any person, firm, company, association or other entity with which the Executive is now or may hereafter become associated. The Executive hereby represents and warrants that the Executive has not entered into any agreement, understanding or arrangement with any employee of the Company or any of its subsidiaries or affiliates pertaining to any business in which the Executive has participated or plans to participate, or to the employment, engagement or compensation of any such employee.

v. For the purposes of this Agreement, the term “**proprietary interest**” means legal or equitable ownership, whether through stock holding or otherwise, of an equity interest in a business, firm or entity, or ownership of any class of equity interest in a publicly-held company (unless such ownership of a publicly-held company is 5% or less); the term “**affiliate**” includes without limitation all subsidiaries, joint venturers and licensees of the Company (including, without limitation, any affiliated individuals or entities); and the term, “**Post Employment Period**” means either (1) if the Executive’s employment terminates for any reason at such time following the expiration of the Period of Employment hereunder, a period of one year following the Executive’s termination of employment; or (2) if the Executive’s employment terminates during the Period of Employment hereunder, a period of two years following the Executive’s termination of employment.

D. The Executive hereby acknowledges that damages at law may be an insufficient remedy to the Company if the Executive violates the terms of this Agreement and that the Company will be entitled, upon making the requisite showing, to preliminary and/or permanent injunctive relief, either in any court of competent jurisdiction or in an arbitration pursuant to Section XIV below, to restrain the breach of or otherwise to specifically enforce any of the covenants contained in this Section VI without the necessity of posting any bond or showing any actual damage or that monetary damages would not provide an adequate remedy. Such right to an injunction will be in addition to, and not in limitation of, any other rights or remedies the Company may have. Without limiting the generality of the foregoing, neither party will oppose any motion the other party may make for any expedited discovery or hearing in connection with any alleged breach of this Section VI.

E. The period of time during which the provisions of this Section VI will be in effect will be extended by the length of time during which the Executive is in breach of the terms hereof as determined by any court of competent jurisdiction or arbitrator on the Company’s application for injunctive relief.

F. The Executive agrees that the restrictions contained in this Section VI are an essential element of the compensation the Executive is granted hereunder and but for the Executive’s agreement to comply with such restrictions, the Company would not have entered into this Agreement.

G. Nothing in this Agreement or any other agreement between the Executive and the Company or any other policies of the Company or its affiliates shall prohibit or restrict the Executive, the Executive’s attorneys or any other individual from: (a) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement, or as required by law or legal process, including with respect to possible violations of law; (b) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, or any self-regulatory organization, including but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General; (c) accepting any U.S. Securities and Exchange Commission awards; and/or (d) making any other disclosures under the whistleblower provisions of federal law or regulation, including pursuant to the Sarbanes-Oxley Act. In addition, nothing in this Agreement or any other agreement between the Executive and the Company or any other policies of the Company or its affiliates prohibits or restricts the Executive from initiating communications with, or responding to an inquiry from, any administrative, governmental, regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation. The Executive does not need the prior authorization of the Company to make any such reports or disclosures and the Executive will not be required to notify the Company that such reports or disclosures have been made. Pursuant to 18 U.S.C. §1833(b), the Executive will not be held criminally or

civily liable under any Federal or state trade secret law for the disclosure of a trade secret of the Company or its affiliates that (i) is made (x) in confidence to a Federal, State or local government official, either directly or indirectly, or to the Executive's attorney and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the trade secret to the Executive's attorney and use the trade secret information in the court proceeding, if the Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement or any other agreement between the Company and the Executive or any other policies of the Company or its affiliates is intended to conflict with 18 U.S.C. §1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

SECTION VII

INDEMNIFICATION

The Company will indemnify the Executive to the fullest extent permitted by the laws of the state of the Company's incorporation in effect at that time, or the certificate of incorporation and by-laws of the Company, whichever affords the greater protection to the Executive (including payment of expenses in advance of final disposition of a proceeding as permitted by such laws, certificate of incorporation or by-laws).

SECTION VIII

MITIGATION

The Executive will not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor will the amount of any such payment be reduced by any compensation earned by the Executive as the result of employment by another employer after the date the Executive's employment hereunder terminates.

SECTION IX

WITHHOLDINGS

The Executive acknowledges and agrees that the Company may withhold from applicable payments under this Agreement all federal, state, local, municipal or other taxes and other applicable withholdings that will be required pursuant to any law or governmental regulation.

SECTION X

EFFECT OF PRIOR AGREEMENTS

Upon the Effective Date, this Agreement will be deemed to have superseded and replaced each of any prior employment or consultant agreement between the Company (and/or its affiliates, including without limitation, its respective predecessors) and the Executive, including, without limitation, the Prior Agreement.

SECTION XI

CONSOLIDATION, MERGER OR SALE OF ASSETS; ASSIGNMENT

Nothing in this Agreement will preclude the Company from consolidating or merging into or with, or transferring all or a portion of its business and/or assets to, another corporation. The Company may assign this Agreement to any successor to all or a portion of the business and/or assets of the Company, provided, that in the event of such an assignment, the Company shall require such successor to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, the failure of which shall constitute a Constructive Discharge pursuant to Section V-C(ii) herein.

SECTION XII

MODIFICATION

This Agreement may not be modified or amended except in writing signed by the parties. No term or condition of this Agreement will be deemed to have been waived except in writing by the party charged with waiver. A waiver will operate only as to the specific term or condition waived and will not constitute a waiver for the future or act as a waiver of anything other than that which is specifically waived.

SECTION XIII

GOVERNING LAW/VENUE

This Agreement has been executed and delivered in the State of New Jersey and its validity, interpretation, performance and enforcement will be governed by the internal laws of that state. In any action brought by the Company under Section VI-D above, the Executive consents to exclusive jurisdiction and venue in the federal and state courts in, at the election of the Company, (a) the State of New Jersey; and/or (b) any state and county in which the Company contends that Executive has breached any agreement with or duty to the Company.

THE PARTIES HERETO HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN OR WITH RESPECT TO ANY LITIGATION.

SECTION XIV

ARBITRATION

A. The Executive and the Company mutually consent to the resolution by final and binding arbitration of any and all disputes, controversies, or claims related in any way to the Executive's employment and/or relationship with the Company, including, without limitation, any dispute, controversy or claim of alleged discrimination or retaliation (including, but not limited to, claims based on race, sex, sexual preference, religion, national origin, age, marital or family status, medical condition, or disability) pursuant to any federal, state or local law or regulation or common law; any dispute, controversy, or claim arising out of or relating to any agreements between the Executive and the Company, including this Agreement (provided that with respect to the matters covered by Section VI, the Company may, but will not be required to, seek injunctive relief in a court of competent jurisdiction); and any dispute as to the ability to arbitrate a matter under this Agreement (collectively, "**Claims**"); provided, however, that nothing in this Agreement shall (i) require arbitration of any Claims which, by law, cannot be the

subject of a compulsory arbitration agreement, including claims of sexual harassment or sexual assault unless the Executive elects to arbitrate any such claims, (ii) be interpreted to mean that the Executive is precluded from filing complaints with the Equal Employment Opportunity Commission, the National Labor Relations Board or any similar state or local administrative agency, or (iii) interfere with any of the Executive's rights set forth in Section VI-G of this Agreement.

B. Any party who is aggrieved will deliver a notice to the other party setting forth the specific points in dispute within the same statute of limitations period applicable to such Claims. Any points remaining in dispute twenty (20) days after the giving of such notice may be submitted to arbitration in New York, New York, in the Borough of Manhattan, to JAMS, before a single arbitrator appointed in accordance with the Employment Arbitration Rules and Procedures of JAMS ("**JAMS Rules**") then in effect, modified only as herein expressly provided. The arbitrator shall be selected in accordance with the JAMS Rules; provided that the arbitrator shall be an attorney (i) with at least ten (10) years of significant experience in employment matters and/or (ii) a former federal or state court judge. After the aforesaid twenty (20) days, either party, upon ten (10) days' notice to the other, may so submit the points in dispute to arbitration. The arbitrator may enter a default decision against any party who fails to participate in the arbitration proceedings. The arbitrator will be empowered to award either party any remedy, at law or in equity that the party would otherwise have been entitled to, had the matter been litigated in court; provided, however, that the authority to award any remedy is subject to whatever limitations, if any, exist in the applicable law on such remedies. The arbitrator shall issue a decision or award in writing, stating the essential findings of fact and conclusions of law. Any judgment on or enforcement of any award, including an award providing for interim or permanent injunctive relief, rendered by the arbitrator may be entered, enforced, or appealed in any court having jurisdiction thereof provided that the challenged decision, ruling or award is filed under seal with the court. Any arbitration proceedings, decision, or award rendered hereunder, and the validity, effect, and interpretation of this arbitration provision, shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq.

C. Each party to any dispute shall pay its own expenses, including attorneys' fees; provided, however, that the Company shall pay all reasonable costs, fees, and expenses that the Executive would not otherwise have been subject to paying if the Claim had been resolved in a court of competent jurisdiction.

D. The parties agree that this Section XIV has been included to rapidly, inexpensively and confidentially resolve any disputes between them, and that this Section XIV will be grounds for dismissal of any court action commenced by either party with respect to this Agreement, except as otherwise provided in Section XIV-A herein, other than (i) any action permitted under ~~this~~ Section VI of this Agreement to seek a restraining order and/or other preliminary and/or permanent injunctive relief, or to compel arbitration from a court of competent jurisdiction, or (ii) post-arbitration actions seeking to enforce an arbitration award from a court of competent jurisdiction. IN THE EVENT THAT ANY COURT DETERMINES THAT THIS ARBITRATION PROCEDURE IS NOT BINDING, OR OTHERWISE ALLOWS ANY LITIGATION REGARDING A DISPUTE, CLAIM, OR CONTROVERSY COVERED BY THIS AGREEMENT TO PROCEED, THE PARTIES HERETO HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN OR WITH RESPECT TO SUCH LITIGATION.

E. The parties will keep confidential, and will not disclose to any person, except to counsel, accountants, financial advisors and/or auditors for either of the parties and/or as may be required by law, the existence of any controversy hereunder, the referral of any such controversy to arbitration or the status or resolution thereof. Accordingly, the Executive and the Company agree that all proceedings in any arbitration shall be conducted under seal and kept strictly

confidential and any arbitration award or supporting decision will be held in the fullest confidence permitted under law. In that regard, no party shall use, disclose, or permit the disclosure of any information, evidence, or documents produced by any other party in the arbitration proceedings or about the existence, contents, or results of the proceedings, except as necessary and appropriate for the preparation and conduct of the arbitration proceedings, or as may be required by any legal process, or as required in an action in aid of arbitration, or for enforcement of or appeal from an arbitral award. Before making any disclosure permitted by the preceding sentence, the party intending to make such disclosure shall give the other party reasonable written notice of the intended disclosure and afford such other party a reasonable opportunity to protect its interests (e.g., by application for a protective order and/or to file under seal).

SECTION XV

SURVIVAL

Sections VI, VII, VIII, IX, XI, XII, XIII, XIV, and XV will continue in full force in accordance with their respective terms notwithstanding any termination of the Period of Employment.

SECTION XVI

SEVERABILITY

All provisions of this Agreement are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding will in no way affect the validity or enforceability of any other provision of this Agreement. The parties hereto further agree that any such invalid or unenforceable provision will be deemed modified so that it will be enforced to the greatest extent permissible under law, and to the extent that any court of competent jurisdiction or arbitrator determines any restriction herein to be unreasonable in any respect, such court or arbitrator may limit this Agreement to render it reasonable in the light of the circumstances in which it was entered into and specifically enforce this Agreement as limited.

SECTION XVII

NO CONFLICTS

The Executive represents and warrants to the Company that the Executive is not a party to or otherwise bound by any agreement or arrangement (including, without limitation, any license, covenant, or commitment of any nature), or subject to any judgment, decree, or order of any court or administrative agency, that would conflict with or will be in conflict with or in any way preclude, limit or inhibit the Executive's ability to execute this Agreement or to carry out the Executive's duties and responsibilities hereunder.

SECTION XVIII

SECTION 409A OF THE CODE

A . Section 409A. Although the Company does not guarantee to the Executive any particular tax treatment relating to the payments and benefits under this Agreement, it is intended that such payments and benefits be exempt from, or comply with, Code Section 409A and this

Agreement will be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A.

B. Separation From Service. A termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of amounts or benefits subject to Code Section 409A upon or following a termination of employment unless such termination is also a "Separation from Service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "resignation," "termination," "termination of employment" or like terms will mean Separation from Service.

C. Reimbursement. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as otherwise permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit and (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, and such reimbursement will be made no later than the end of the calendar year following the calendar year in which the expense is incurred, provided that the foregoing clause will not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

D. Specified Employee. If the Executive is deemed on the date of termination of employment to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code and using the identification methodology selected by the Company from time to time, or if none, the default methodology, then:

i. With regard to any payment, the providing of any benefit or any distribution of equity that constitutes "deferred compensation" subject to Code Section 409A, payable upon separation from service, such payment, benefit or distribution will not be made or provided prior to the earlier of (x) the expiration of the six-month period measured from the date of the Executive's Separation from Service or (y) the date of the Executive's death, to the extent required to comply with Code Section 409A; and

ii. On the first day of the seventh (7th) month following the date of the Executive's Separation from Service or, if earlier, on the date of death, (x) all payments delayed pursuant to this Section XVIII will be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal dates specified for them herein and (y) all distributions of equity delayed pursuant to this Section XVIII will be made to the Executive.

E. Company Discretion. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period will, unless otherwise required by the terms of this Agreement, be within the sole discretion of the Company and the number of days referenced will refer to the number of calendar days.

F. Compliance. Notwithstanding anything herein to the contrary, in no event whatsoever will the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Executive by Code Section 409A or any damages for failing to comply with Code Section 409A.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

WYNDHAM HOTELS & RESORTS, INC.

By: /s/Paul F. Cash

Name: Paul F. Cash

Title: Executive Vice President, General Counsel and Corporate Secretary

/s/Michele Allen

Michele Allen

February 15, 2020

Scott Strickland



Dear Mr. Strickland:

We are pleased to confirm the terms and conditions of your employment with Wyndham Hotels & Resorts, Inc. (the "Company") as Chief Information Officer effective as of February 15, 2020 (the "Effective Date"). This position reports to the Chief Executive Officer of the Company.

Your base salary, paid on a biweekly basis, will be \$15,384.62, which equates to an annualized base salary of \$400,000.

You will be eligible to participate in the Company's annual incentive compensation plan as in effect from time to time (the "AIP"), with a target annual incentive compensation award opportunity equal to 75% of your eligible base salary, and with your actual annual incentive compensation award (if any) determined based upon the attainment of one or more performance goals established by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee"). Your annual incentive compensation award will be paid to you at such time as shall be determined by the Compensation Committee, but in no event later than the last day of the calendar year immediately following the calendar year in which such annual incentive compensation award is earned.

You will be eligible for executive perquisites, which currently include Company-provided automobile and financial planning assistance; however, our program is subject to change from time to time. In accordance with our reimbursement policy, as the same may be amended from time to time, the Company will reimburse all taxable business expenses to you on or before the last day of your taxable year following the taxable year in which the expenses are incurred.

Per the Company's standard policy, this letter agreement (this "Agreement") is not intended, nor should it be considered, to be an employment contract for a definite or indefinite period of time. As you know, employment with the Company is at will, and either you or the Company may terminate your employment at any time, with or without Cause and with or without prior notice. For purposes of this Agreement, "Cause" means any of the following: (a) your willful failure to substantially perform your duties as an employee of the Company or any subsidiary (other than any such failure resulting from incapacity due to physical or mental illness), (b) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct by you against the Company or any subsidiary, (c) your conviction of a felony or any crime involving moral turpitude (which conviction, due to the passage of time or otherwise, is not subject to further appeal), (d) your gross negligence in the performance of your duties, or (e) your purposefully or negligently making (or having been found to have made) a false certification to the Company pertaining to its financial statements. Unless the Company reasonably determines in its sole discretion that your conduct is not subject to cure, then the Company will provide notice to you of its intention to terminate your employment for Cause hereunder, along with a description of your conduct which the Company believes gives rise to Cause, and provide you with a period of fifteen (15) days in which to cure such conduct and/or challenge the Company's determination that Cause exists hereunder; provided, however, that (i) the determination of whether such conduct has been cured and/or gives rise to Cause shall be made by the Company in its sole discretion; and (ii) the

Company shall be entitled to immediately and unilaterally restrict or suspend your duties during such fifteen (15)-day period pending such determination.

In the event your employment with the Company is terminated by the Company other than for Cause (not, for the avoidance of doubt, due to your death or your Disability (as such term is defined in the Company's long-term disability plan)) (a "Qualifying Termination"), subject to the terms and conditions set forth in this Agreement, you will receive severance pay equal to 200% multiplied by the sum of: (a) your then current base salary; plus (b) an amount equal to the highest annual incentive compensation award paid to you with respect to the three (3) fiscal years of the Company immediately preceding the fiscal year in which your termination of employment occurs, but in no event shall the amount (b) exceed 100% of your then current base salary. In the event you become entitled to severance pay under the circumstances described in this Agreement during the three (3) years following the Effective Date, the amount in subsection (b) above shall be no less than your then current base salary.

The severance pay will be paid to you in the form of a cash lump sum payment, less all applicable withholdings and deductions, in the first payroll period following the date on which the separation agreement referenced in the following paragraph becomes effective and non-revocable; provided that, to the extent your severance payment is subject to Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance issued thereunder (collectively, "Code Section 409A"), your termination of employment must constitute a "separation from service" under Code Section 409A; provided, further, that in the event the period during which you are entitled to consider (and revoke, if applicable) such separation agreement spans two calendar years, then any payment that otherwise would have been payable during the first calendar year will in no case be made until the later of (a) the end of the revocation period (assuming that you do not revoke) and (b) the first business day of the second calendar year (regardless of whether you used the full time period allowed for consideration), as and to the extent required for purposes of Code Section 409A; and provided, further, that the Company shall have the right to offset against such severance pay any then-existing documented and bona fide monetary debts you owe to the Company or any of its subsidiaries, to the extent permissible under Code Section 409A.

The above provision of severance pay is subject to, and contingent upon, your execution and non-revocation of a separation agreement, in such form as is determined by the Company, within sixty (60) days of your termination date. Such separation agreement will require you to release all of your actual and purported claims against the Company and its affiliates (including, without limitation, the Company's affiliated individuals and entities) and will be in substantially the form attached hereto as Exhibit A.

You agree that you will, with reasonable notice during or after your employment with the Company, furnish such information as may be in your possession and fully cooperate with the Company and its affiliates as may be requested in connection with any claims or legal action in which the Company or any of its affiliates is or may become a party. During your employment, you will comply in all respects with the Company's Business Principles, policies and standards. After your employment with the Company, you will cooperate as reasonably requested with the Company and its affiliates in connection with any claims or legal actions in which the Company or any of its affiliates is or may become a party. The Company agrees to reimburse you for any reasonable out-of-pocket expenses incurred by you by reason of such cooperation, including any loss of salary due, to the extent permitted by law, and the Company will make reasonable efforts to minimize interruption of your life in connection with your cooperation in such matters as provided for in this paragraph.

You recognize and acknowledge that all information pertaining to this Agreement or to the affairs; business; results of operations; accounting methods, practices and procedures; members;

acquisition candidates; financial condition; clients; customers or other relationships of the Company or any of its affiliates (“Information”) is confidential and is a unique and valuable asset of the Company or any of its affiliates. Access to and knowledge of certain of the Information is essential to the performance of your duties under this Agreement. You will not, during your employment with the Company or thereafter, except to the extent reasonably necessary in performance of your duties under this Agreement, give to any person, firm, association, corporation, or governmental agency any Information, except as may be required by law. You will not make use of the Information for your own purposes or for the benefit of any person or organization other than the Company or any of its affiliates. You will also use your best efforts to prevent the disclosure of this Information by others. All records, memoranda, etc. relating to the business of the Company or its affiliates, whether made by you or otherwise coming into your possession, are confidential and will remain the property of the Company or its affiliates.

Upon a Qualifying Termination, you will be eligible to vest in and be paid a pro-rata portion of any performance-based long-term incentive award (excluding stock options and stock appreciation rights) that you may hold at the time of such Qualifying Termination, with such pro-rata based upon the portion of the full performance period during which you were employed by the Company plus twelve (12) months (or, if less, assuming your continued employment for the entire performance period remaining after your Qualifying Termination); provided that the performance goals applicable to the performance-based long-term incentive award are achieved. Payment of any such vested performance-based long-term incentive award will occur at the same time that such performance-based long-term incentive awards are paid to actively-employed employees generally. In addition, all long-term incentive awards that are not subject to performance-based vesting and that would have otherwise vested within the twelve (12)-month period following your Qualifying Termination will become vested upon your Qualifying Termination, and any such long-term incentive awards which are stock options or stock appreciation rights will remain outstanding for a period of two (2) years (but not beyond the original expiration date) following your Qualifying Termination. This paragraph shall not supersede or replace any provision or right relating to the acceleration of the vesting of any long-term incentive award (whether or not performance-based) in the event of a change in control of the Company or your death or disability, whether pursuant to an applicable stock plan document or award agreement.

Although the Company does not guarantee to you any particular tax treatment relating to any payments made or benefits provided to you in connection with your employment with the Company, it is intended that such payments and benefits be exempt from, or comply with, Code Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A.

You hereby acknowledge and agree to the dispute resolution provisions set forth in Appendix A attached hereto.

This Agreement has been executed and delivered in the State of New Jersey and its validity, interpretation, performance and enforcement will be governed by the internal laws of that state.

Thank you for your continued contribution to the success of our company.

Sincerely,

By: Wyndham Hotels & Resorts, Inc.

/s/Mary Falvey

Name: Mary Falvey

Title: Chief Administrative Officer

ACKNOWLEDGED AND ACCEPTED:

/s/Scott Strickland

Name: Scott Strickland

Date: March 8, 2020

APPENDIX A

1. You and the Company mutually consent to the resolution by final and binding arbitration of any and all disputes, controversies, or claims related in any way to your employment and/or relationship with the Company, including, without limitation, any dispute, controversy or claim of alleged discrimination, harassment, or retaliation (including, but not limited to, claims based on race, sex, sexual preference, religion, national origin, age, marital or family status, medical condition, or disability); any dispute, controversy, or claim arising out of or relating to any agreements between you and the Company, including this Agreement; and any dispute as to the ability to arbitrate a matter under this Agreement (collectively, "**Claims**"); provided, however, that nothing in this Agreement shall require arbitration of any Claims which, by law, cannot be the subject of a compulsory arbitration agreement, and nothing in this Agreement shall be interpreted to mean that you are precluded from filing complaints with the Equal Employment Opportunity Commission or the National Labor Relations Board.
 2. Any party who is aggrieved will deliver a notice to the other party setting forth the specific points in dispute within the same statute of limitations period applicable to such Claims. Any points remaining in dispute twenty (20) days after the giving of such notice may be submitted to arbitration in New York, New York, in the Borough of Manhattan, to JAMS, before a single arbitrator appointed in accordance with the Employment Arbitration Rules and Procedures of JAMS ("**JAMS Rules**") then in effect, modified only as herein expressly provided. The arbitrator shall be selected in accordance with the JAMS Rules; provided that the arbitrator shall be an attorney (i) with at least ten (10) years of significant experience in employment matters and/or (ii) a former federal or state court judge. After the aforesaid twenty (20) days, either party, upon ten (10) days' notice to the other, may so submit the points in dispute to arbitration. The arbitrator may enter a default decision against any party who fails to participate in the arbitration proceedings. The arbitrator will be empowered to award either party any remedy, at law or in equity, that the party would otherwise have been entitled to, had the matter been litigated in court; provided, however, that the authority to award any remedy is subject to whatever limitations, if any, exist in the applicable law on such remedies. The arbitrator shall issue a decision or award in writing, stating the essential findings of fact and conclusions of law. Any judgment on or enforcement of any award, including an award providing for interim or permanent injunctive relief, rendered by the arbitrator may be entered, enforced, or appealed in any court having jurisdiction thereof. Any arbitration proceedings, decision, or award rendered hereunder, and the validity, effect, and interpretation of this arbitration provision, shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq.
 3. Each party to any dispute shall pay its own expenses, including attorneys' fees; provided, however, that the Company shall pay all reasonable costs, fees, and expenses that you would not otherwise have been subject to paying if the Claim had been resolved in a court of competent jurisdiction.
 4. The parties agree that this Appendix A has been included to rapidly, inexpensively and confidentially resolve any disputes between them, and that this Appendix A will be grounds for dismissal of any court action commenced by either party with respect to this Agreement, except as otherwise provided in Paragraph 1 herein, other than (i) any action seeking a restraining order or other injunctive or equitable relief or order in aid of arbitration or to compel arbitration from a court of competent jurisdiction, (ii) any action seeking interim injunctive or equitable relief from the arbitrator pursuant to the JAMS Rules or (iii) post-arbitration actions seeking to enforce an arbitration award from a court of competent jurisdiction. IN THE EVENT THAT ANY COURT DETERMINES THAT THIS ARBITRATION PROCEDURE IS NOT BINDING, OR OTHERWISE ALLOWS ANY
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LITIGATION REGARDING A DISPUTE, CLAIM, OR CONTROVERSY COVERED BY THIS AGREEMENT TO PROCEED, THE PARTIES HERETO HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN OR WITH RESPECT TO SUCH LITIGATION.

5. The parties will keep confidential, and will not disclose to any person, except to counsel for either of the parties and/or as may be required by law, the existence of any controversy hereunder, the referral of any such controversy to arbitration or the status or resolution thereof. Accordingly, you and the Company agree that all proceedings in any arbitration shall be conducted under seal and kept strictly confidential. In that regard, no party shall use, disclose, or permit the disclosure of any information, evidence, or documents produced by any other party in the arbitration proceedings or about the existence, contents, or results of the proceedings, except as necessary and appropriate for the preparation and conduct of the arbitration proceedings, or as may be required by any legal process, or as required in an action in aid of arbitration, or for enforcement of or appeal from an arbitral award. Before making any disclosure permitted by the preceding sentence, the party intending to make such disclosure shall give the other party reasonable written notice of the intended disclosure and afford such other party a reasonable opportunity to protect its interests (e.g., by application for a protective order and/or to file under seal).
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EXHIBIT A

RELEASE

As a condition precedent to Wyndham Hotels & Resorts, Inc. (the "Company") providing the consideration set forth in Section ___ of the Separation and Release Agreement dated _____, 20__ ("the Separation Agreement"), to which this Release is attached as Exhibit A, on or following the "ADEA Release Effective Date" (as defined below) to the undersigned executive ("Executive"), Executive hereby agrees to the terms of this Release as follows:

1. **Release.**

(a) Subject to Section 1(c) below, Executive, on behalf of Executive and Executive's heirs, executors, administrators, successors and assigns, hereby voluntarily, unconditionally, irrevocably and absolutely releases and discharges the Company, its parent entities, and each of its subsidiaries, affiliates, and all of its past and present employees, officers, directors, agents, owners, shareholders, representatives, members, attorneys, insurers and benefit plans, and all of their predecessors, successors and assigns (collectively, the "Released Parties", and each a "Released Party") from any and all claims, demands, causes of action, suits, controversies, actions, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, any other damages, claims for costs and attorneys' fees, losses or liabilities of any nature whatsoever (hereinafter, "Claims") that Executive has or may have against the Released Parties: (i) from the beginning of time through the date upon which Executive signs this Release; (ii) arising from or in any way related to Executive's employment or termination of employment with any of the Released Parties; (iii) arising from or in any way related to any agreement with any of the Released Parties, including but not limited to the employment letter agreement executed by Executive on _____, 20__ ("Agreement"); and/or (iv) arising from or in any way related to awards, policies, plans, programs or practices of any of the Released Parties that may apply to Executive or in which Executive may participate, in each case, including, but not limited to, under any federal, state or local law, act, statute, code, order, judgment, injunction, ruling, decree or writ, ordinance or regulation, including, but not limited to:

- Title VII of the Civil Rights Act of 1964;
 - Sections 1981 through 1988 of Title 42 of the United States Code;
 - The Employee Retirement Income Security Act of 1974 ("ERISA") (as modified below);
 - The Immigration Reform and Control Act;
 - The Americans with Disabilities Act of 1990;
 - The Age Discrimination in Employment Act of 1967 ("ADEA");
 - The Worker Adjustment and Retraining Notification Act;
 - The Fair Credit Reporting Act;
 - The Family and Medical Leave Act;
 - The Equal Pay Act;
 - The Genetic Information Nondiscrimination Act of 2008;
 - The Occupational Safety and Health Act;
 - The Family First Coronavirus Response Act;
 - The New Jersey Law Against Discrimination;
 - The New Jersey Civil Rights Act;
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- The New Jersey Family Leave Act;
- The New Jersey State Wage and Hour Law;
- The Millville Dallas Airmotive Plant Job Loss Notification Act;
- The New Jersey Conscientious Employee Protection Act;
- The New Jersey Equal Pay Law;
- The New Jersey Occupational Safety and Health Law;
- The New Jersey Smokers' Rights Law;
- The New Jersey Genetic Privacy Act;
- The New Jersey Fair Credit Reporting Act;
- The New Jersey Paid Sick Leave Act;
- The New Jersey Statutory Provision Regarding Retaliation/Discrimination for Filing A Workers' Compensation Claim;
- The New Jersey Public Employees' Occupational Safety and Health Act;
- New Jersey laws regarding Political Activities of Employees, Lie Detector Tests, Jury Duty, Employment Protection, and Discrimination;
- any other federal, state or local law, rule, regulation, or ordinance;
- any public policy, contract, tort, or common law; or
- any basis for recovering costs, fees, or other expenses including attorneys' fees incurred in these matters.

(b) Executive understands that Executive may later discover claims or facts that may be different than, or in addition to, those which Executive now knows or believes to exist with regards to the subject matter of this Release and the releases in this Section 1, and which, if known at the time of executing this Release, may have materially affected this Release or Executive's decision to enter into it. Executive hereby waives any right or claim that might arise as a result of such different or additional claims or facts.

(c) This Release is not intended to bar or affect: (i) any Claims that may not be waived by private agreement under applicable law, such as claims for workers' compensation or unemployment insurance benefits; (ii) vested rights under the Company's 401(k) or pension plan; (iii) any right to the payments and benefits set forth in Section __ of the Separation Agreement; and/or (iv) any earned, but unpaid, wages or paid-time-off payable upon a termination of employment that may be owed pursuant to Company policy and applicable law or any unreimbursed expenses payable in accordance with Company policy.

(d) Nothing in this Release is intended to prohibit or restrict Executive's right to file a charge with, or participate in a charge by, the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency; provided, however, that Executive hereby waives the right to recover any monetary damages or other relief against any Released Parties to the fullest extent permitted by law, excepting any benefit or remedy to which Executive is or becomes entitled to pursuant to Section 922 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

(e) Notwithstanding anything in this Release to the contrary, Executive's release of Claims under the ADEA ("the ADEA Release") shall become effective only upon: (i) Executive's separate signature set forth on the signature page of this Release reflecting his assent to his release of Claims under the ADEA; and (ii) the occurrence of the ADEA Release Effective Date.

(f) Executive represents that Executive has made no assignment or transfer of any right or Claim covered by this Section 1 and that Executive further agrees that he is not aware of any such right or Claim covered by this Section 1.

(g) As of the date upon which Executive executes this Release, Executive acknowledges that he does not have any current charge, complaint, grievance or other proceeding against any of the Released Parties pending before any local, state or federal agency regarding his employment or separation from employment. This provision shall in all respects be subject to Subsection (d) herein and Section 6 of this Release.

(h) As of the date upon which Executive executes this Release, Executive affirms that he has not knowingly provided, either directly or indirectly, any information or assistance to any non-governmental party that may be considering or is taking legal action against any of the Released Parties with the purpose of assisting such person in connection with such legal action. Executive understands that if this Release, and the Separation Agreement to which this Release is attached, were not signed, he would have the right to voluntarily provide information or assistance to any party who may be considering or is taking legal action against any of the Released Parties. Executive hereby waives that right and agrees that he will not provide any such assistance other than the assistance to a governmental party or pursuant to a valid subpoena or court order. This provision shall in all respects be subject to Subsection (d) herein and Section 6 of this Release.

2. **Return of Company Property.** Executive represents that he has returned to the Company all Company property and confidential and proprietary information in his possession or control, including but not limited to Confidential Information as defined in the Separation Agreement, in any form whatsoever, including without limitation, equipment, telephones, smart phones, PDAs, laptops, credit cards, keys, access cards, identification cards, security devices, network access devices, pagers, documents, manuals, reports, books, compilations, work product, e-mail messages, recordings, tapes, removable storage devices, hard drives, computers and computer discs, files and data, which Executive prepared or obtained during the course of his employment with the Company. Executive has also provided the Company with the passcodes to any lock devices or password protected work-related accounts. If Executive discovers any property of the Company (or any Released Party) or confidential or proprietary information in his possession after the date upon which he signs this Separation Agreement and Release, Executive shall immediately return such property.

3. **Non-disparagement.** Subject to Section 6 below, Executive agrees not to: (a) make any statement, written or oral, directly or indirectly, which in any way disparages the Released Parties or their business, products or services in any manner whatsoever, or portrays the Released Parties or their business, products or services in a negative light or would in any way place the Released Parties in disrepute; and/or (b) encourage anyone else to disparage or criticize the Released Parties or their business, products or services, or put them in a bad light.

4. **Consultation/Voluntary Agreement.** Executive acknowledges that the Company has advised Executive to consult with an attorney prior to executing this Release. Executive has carefully read and fully understands all of the provisions of this Release. Executive is entering into this Release, knowingly, freely and voluntarily in exchange for good and valuable consideration to which Executive would not be entitled in the absence of executing and not revoking this Release.

5. **Review and Revocation Period.** Executive has been given twenty-one (21) calendar days to consider the terms of this Release, although Executive may sign it at any time sooner. Executive has seven (7) calendar days after the date on which Executive executes this Release for purposes of the ADEA Release to revoke Executive's consent to the ADEA Release. Such revocation must be in writing and must be e-mailed to _____, at _____@wyndham.com. Notice of such revocation of the ADEA Release must be received within the seven (7) calendar days referenced above. In the event of such revocation of the ADEA Release by Executive, with the exception of the ADEA Release (which shall become null and void), this Release shall otherwise remain fully effective. Provided that Executive does not revoke his execution of the ADEA Release within such seven (7) day revocation period, the "ADEA Release Effective Date" shall occur on the eighth (8th) calendar day after the date on which Executive signs the signature page of this Release reflecting his assent to the ADEA Release. If Executive does not sign this Release within twenty-one (21) days after the Company presents it to him, or if Executive revokes this Release within the permissible period, Executive shall have no right to the payments and benefits set forth in the Separation Agreement.

6. **Permitted Disclosures.** Nothing in this Release or any other agreement between Executive and the Company or any other policies of the Company or its affiliates shall prohibit or restrict Executive or Executive's attorneys from: (a) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Release, or as required by law or legal process, including with respect to possible violations of law; (b) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (c) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Release or any other agreement between Executive and the Company or any other policies of the Company or its affiliates prohibits or restricts Executive from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation. Pursuant to 18 U.S.C. §1833(b), Executive will not be held criminally or civilly liable under any Federal or state trade secret law for the disclosure of a trade secret of the Company or its affiliates that: (i) is made (x) in confidence to a Federal, state, or local government official, either directly or indirectly, or to Executive's attorney and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and use the trade secret information in the court proceeding, if Executive files any document containing the trade secret

under seal, and does not disclose the trade secret, except pursuant to court order. Nothing in this Release or any other agreement between the Company and Executive or any other policies of the Company or its affiliates is intended to conflict with 18 U.S.C. §1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

7. **No Admission of Wrongdoing.** Neither this Release, nor the furnishing of the consideration for this Release, shall be deemed or construed at any time to be an admission by the parties or any of the Released Parties of any improper or unlawful conduct, all of which is denied.

8. **Third-Party Beneficiaries.** Executive acknowledges and agrees that all Released Parties are third-party beneficiaries of this Release and have the right to enforce this Release.

9. **Amendments and Waivers.** No amendment to or waiver of this Release or any of its terms will be binding unless consented to in writing by Executive and an authorized representative of the Company. No waiver by any Released Party of a breach of any provision of this Release, or of compliance with any condition or provision of this Release to be performed by Executive, will operate or be construed as a waiver of any subsequent breach with respect to any other Released Party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of any Released Party to take any action by reason of any breach will not deprive any other Released Party of the right to take action at any time.

10. **Governing Law; Jury Waiver.** This Release shall be governed by, and construed in accordance with, the laws of the State of New Jersey, without regard to the application of any choice-of-law rules that would result in the application of another state's laws. Subject to Section 13 below, Executive irrevocably consents to the jurisdiction of, and exclusive venue in, the state and federal courts in New Jersey with respect to any matters pertaining to, or arising from, this Release. **UNLESS OTHERWISE PROHIBITED BY LAW, EXECUTIVE EXPRESSLY, KNOWINGLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS RELEASE OR THE MATTERS CONTEMPLATED HEREBY.**

11. **Savings Clause.** If any term or provision of this Release is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Release or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision of this Release is invalid, illegal or unenforceable, this Release shall be enforceable as closely as possible to its intent of providing the Released Parties with a full release of all legally releasable claims through the date upon which Executive signs this Release.

12. **Continuing Obligations.** Executive's post-termination obligations set forth in the Agreement and Separation Agreement, as well as Executive's obligations set forth in the Agreement and Separation Agreement, are incorporated herein by reference (the "Continuing Obligations"). If Executive breaches the Continuing Obligations, all amounts and benefits payable under this Release shall cease and, upon request, Executive shall immediately repay to

the Company any and all amounts already paid pursuant to this Release. If any one or more of the Continuing Obligations shall be held by an arbitrator or a court of competent jurisdiction to be excessively broad as to duration, geography, scope, activity or subject, such provisions shall be construed by limiting and reducing them so as to be enforceable to the maximum extent allowed by applicable law.

13. **Arbitration.** Appendix A of the Agreement is incorporated herein by reference and such terms and conditions shall apply to any disputes under the Agreement, the Separation Agreement and under this Release.

14. **Continuing Cooperation.** Executive agrees, in addition to obligations set forth in this Release, the Agreement and the Separation Agreement to which this Release is attached, to cooperate and make himself available to the Company or any of its successors (including any past or future subsidiary of the Company), any of the Released Parties, or its or their General Counsel, as the Company may reasonably request, to assist in any matter, including giving truthful testimony in any litigation or potential litigation, over which Executive may have knowledge, information or expertise. Executive shall be reimbursed, to the extent permitted by law, any reasonable out-of-pocket expenses associated with such cooperation, provided those expenses are pre-approved by the Company (or Released Party, as applicable) prior to the Executive incurring them. Executive acknowledges that his agreement to this provision is a material inducement to the Company to enter into the Separation Agreement and pay the consideration described therein.

15. **Business Expenses.** As of the date upon which Executive executes this Release, Executive confirms that any business-related expenses for which he seeks or will seek reimbursement have been, or will be, documented and submitted to the Company within 10 business days after the Termination Date. Furthermore, Executive represents that any amounts owed by him to the Company have been paid. In the event Executive has been reimbursed for business expenses, but has failed to pay any Company-issued charge card or credit card bill related to such reimbursed expenses, Executive shall promptly pay any such amounts within 7 days after any request by the Company and, in addition, the Company has the right and is hereby authorized to deduct the amount of any unpaid charge card or credit card bill from the severance payments or otherwise suspend payments or other benefits in an amount equal to the unpaid business expenses without being in breach of the Separation Agreement.

16. **Entire Agreement.** Except as expressly set forth herein, Executive acknowledges and agrees that this Release and the Separation Agreement to which this Release is attached constitutes the complete and entire agreement and understanding between the Company and Executive with respect to the subject matter hereof, and supersedes in its entirety any and all prior understandings, commitments, obligations and/or agreements, whether written or oral, with respect thereto; it being understood and agreed that this Release, and the Separation Agreement to which this Release is attached, including the mutual covenants, agreements, acknowledgments and affirmations contained herein and therein, is intended to constitute a complete settlement and resolution of all matters set forth in Section 1 hereof. Executive

represents that, in executing this Release, Executive has not relied upon any representation or statement made by any of the Released Parties, other than those set forth in this Release and the Separation Agreement to which this Release is attached, with regard to the subject matter, basis, or effect of this Release.

IN WITNESS WHEREOF, Executive has executed this Release as of the below-indicated date(s).

EXECUTIVE

**WYNDHAM HOTELS & RESORTS, INC.
SUBSIDIARIES OF THE REGISTRANT**

The following is a list of the subsidiaries of Wyndham Hotels & Resorts, Inc. as of December 31, 2022:

Name	Jurisdiction of Organization
Wyndham Hotel Group, LLC	Delaware
La Quinta Holdings Inc.	Delaware
La Quinta Intermediate Holdings L.L.C.	Delaware
Lodge Holdco II L.L.C.	Delaware
La Quinta Franchising LLC	Nevada
Ramada Worldwide Inc.	Delaware
WHG Caribbean Holdings, Inc.	Delaware
La Quinta Worldwide, LLC	Nevada
Wyndham Asia Caribbean Holdings Ltd.	Jersey
Days Inn Worldwide, Inc.	Delaware
Wyndham Properties S.a.r.l.	Luxembourg
Wyndham Hotels and Resorts, LLC	Delaware
Wyndham Franchisor, LLC	Delaware
U.S. Franchise Systems, Inc.	Delaware
AmericInn International, LLC	Minnesota
Super 8 Worldwide, Inc.	South Dakota
Baymont Franchise Systems, Inc.	Delaware
WHR Europe, Inc.	Delaware
Wyndham Hotel Asia Pacific Co. Limited	Hong Kong
LQ Management L.L.C.	Delaware
Microtel Inns and Suites Franchising, Inc.	Georgia
Fen International Corp.	British Virgin Islands
WHG (Jersey) Limited	Jersey
Wyndham Hotel Management, Inc.	Delaware
Dolce International Holdings, Inc.	Delaware
WHG (Jersey) II Limited	Jersey
WHG (Ireland) Hotels Unlimited Company	Ireland
Wingate Inns International, Inc.	Delaware
Travelodge Hotels, Inc.	Delaware
Ramada International, Inc.	Delaware
Wyndham Hotel Management (Beijing) Co., Ltd.	China

Omitted from the list are the names of subsidiaries that, if considered in the aggregate as a single subsidiary, would not constitute a “significant subsidiary” as defined in SEC Regulation S-X.

**WYNDHAM HOTELS & RESORTS, INC.
CORPORATION ASSUMED NAMES REPORT**

Entity Name	Assumed Name
Microtel Inns and Suites Franchising, Inc.	Microtel Inn by Wyndham
Microtel Inns and Suites Franchising, Inc.	Microtel Inn & Suites by Wyndham
Microtel Inns and Suites Franchising, Inc.	MISF
Wingate Inns International, Inc.	Wingate by Wyndham
Wyndham Hotel Management, Inc.	Wyndham Management Company
Wyndham Hotel Management, Inc.	Wyndham Orlando Resort
Wyndham Hotels and Resorts, LLC	Wyndham Garden
Wyndham Hotels and Resorts, LLC	Wyndham Grand

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-224923 on Form S-8 and in Registration Statement No. 333-232421 on Form S-8 of our report dated February 16, 2023, relating to the consolidated financial statements of Wyndham Hotels & Resorts, Inc. and subsidiaries and the effectiveness of Wyndham Hotels & Resorts, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP
New York, New York
February 16, 2023

CERTIFICATION

I, Geoffrey A. Ballotti, certify that:

1. I have reviewed this annual report on Form 10-K of Wyndham Hotels & Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2023

/s/ GEOFFREY A. BALLOTTI

PRESIDENT AND CHIEF EXECUTIVE OFFICER

CERTIFICATION

I, Michele Allen, certify that:

1. I have reviewed this annual report on Form 10-K of Wyndham Hotels & Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2023

/s/ MICHELE ALLEN

CHIEF FINANCIAL OFFICER

**CERTIFICATION OF PRESIDENT AND CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Annual Report of Wyndham Hotels & Resorts, Inc. (the "Company") on Form 10-K for the period ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Geoffrey A. Ballotti, as President and Chief Executive Officer of the Company, and Michele Allen, as Chief Financial Officer of the Company (each, the "Reporting Person"), each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the Reporting Person's knowledge:

- (1.) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2.) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GEOFFREY A. BALLOTTI

GEOFFREY A. BALLOTTI
PRESIDENT AND CHIEF EXECUTIVE OFFICER
February 16, 2023

/s/ MICHELE ALLEN

MICHELE ALLEN
CHIEF FINANCIAL OFFICER
February 16, 2023