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

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

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 001-36243

Hilton Worldwide Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-4384691**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
7930 Jones Branch Drive, Suite 1100, McLean, VA	**22102**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (703) 883-1000

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	HLT	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 ☒

As of June 30, 2024, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $53,020 million (based upon the closing sale price of the common stock on that date on the New York Stock Exchange). The number of shares of common stock outstanding on January 31, 2025 was 240,596,519.

DOCUMENTS INCORPORATED BY REFERENCE

Items 10, 11, 12, 13 and 14 of Part III incorporate information by reference from the registrant's definitive proxy statement relating to its 2025 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the close of the registrant's fiscal year.

HILTON WORLDWIDE HOLDINGS INC.
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PART I

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, future financial results, liquidity and capital resources and other non-historical statements. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "forecasts," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties that could cause actual outcomes or results to differ materially from those indicated in these statements, including, among others, those described under "Part I—Item 1A. Risk Factors" and under "Summary of Risk Factors" below. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Annual Report on Form 10-K. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Summary of Risk Factors

In addition to the other information in this Annual Report on Form 10-K, the following risk factors should be considered carefully in evaluating our company and our business. A summary of the principal factors that create risk in investing in our securities and might cause actual results to differ from expectations is set forth below:

- We are subject to the business, financial and operating risks inherent to the hospitality industry, any of which could reduce our revenues and limit opportunities for growth;
- Macroeconomic conditions, public health concerns, geopolitical activity and other factors beyond our control can adversely affect and reduce demand for our products and services;
- Because we operate in a highly competitive industry, our revenues or profits could be harmed if we are unable to compete effectively;
- Our business is subject to risks related to doing business with third-party property owners that could adversely affect our reputation, operational results or prospects for growth;
- Failure to keep pace with developments in technology could adversely affect our operations or competitive position;
- Failures in, material damage to or interruptions in our information technology systems, software or websites, including as a result of cyber-attacks on our systems or systems operated by third parties that provide operational and technical services to us, costs associated with protecting the integrity and security of personal data and other sensitive information and difficulties in updating our existing software or developing or implementing new software could have a material adverse effect on our business or results of operations;
- The growth of internet reservation channels could adversely affect our business and profitability;
- Because we derive a portion of our revenues from operations outside the United States ("U.S."), the risks of doing business internationally could lower our revenues, increase our costs, reduce our profits or disrupt our business;
- The loss of key senior management personnel or labor shortages could restrict our ability to grow our business or operate our properties or result in increased labor costs that could adversely affect our results of operations;
- Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to sustainability matters, that could increase costs or expose us to reputational and other risks; and

- Our substantial indebtedness and other contractual obligations could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry and our ability to pay our debts, and could require us to divert our cash flows from operations to make required debt or interest payments.

These risk factors do not identify all risks that we face, and our business, financial condition and results of operations could also be affected by factors, events or uncertainties that are not presently known to us or that we currently do not consider to present material risks.

Terms Used and Basis of Presentation in this Annual Report on Form 10-K

Except where the context requires otherwise, references in this Annual Report on Form 10-K to "Hilton," "the Company," "we," "us" and "our" refer to Hilton Worldwide Holdings Inc., together with all of its consolidated subsidiaries. Except where the context requires otherwise, references to our "properties" refer to the hotels, resorts and timeshare properties that are managed, franchised, owned or leased by us, as well as third-party hotels we do not manage or franchise but that use our booking channels and related programs ("strategic partner hotels"), while references to "hotels" exclude timeshare properties.

Refer to "Part II—Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Financial Metrics Used by Management" for additional information on our financial and performance metrics.

Social Media

We use our website at stories.hilton.com, our Facebook page at facebook.com/hiltonnewsroom, our LinkedIn page at linkedin.com/company/hilton and our corporate X account at x.com/hiltonnewsroom as channels of distribution of company information. We also use our website at cr.hilton.com to communicate our Travel with Purpose strategy. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, our filings with the U.S. Securities and Exchange Commission (the "SEC") and our webcasts. The contents of our website and social media channels are not, however, part of this report.

Item 1. Business

Overview

Hilton is one of the largest global hospitality companies, with 8,447 properties comprising 1,268,206 rooms in 140 countries and territories as of December 31, 2024. Founded in 1919, Hilton has been an innovator in the industry for over 105 years, driven by the vision of founder Conrad Hilton "to fill the earth with the light and warmth of hospitality." Our premier brand portfolio includes luxury, lifestyle, full service, focused service and all-suites hotel brands, as well as timeshare brands. As of December 31, 2024, we had 211 million members in our award-winning guest loyalty program, Hilton Honors, an increase of 17 percent from December 31, 2023; refer to "—Our Brand Portfolio" and "—Our Guest Loyalty Program" below for additional information on our brands, including Hilton Honors.

We operate our business through: (i) a management and franchise segment and (ii) an ownership segment, each of which is reported as a segment based on (a) delivering a similar set of products and services and (b) being managed separately given its distinct economic characteristics. The management and franchise segment includes all of the hotels we manage for third-party owners, as well as all properties that license our intellectual property ("IP") and/or use our booking channels and related programs, and where we provide other contracted services, but the day-to-day services of the hotels are operated or managed by someone other than us. Revenues from this segment include: (i) management and franchise fees charged to third-party hotel owners; (ii) licensing fees from our strategic partners, including co-branded credit card providers, strategic partner hotels and Hilton Grand Vacations Inc. ("HGV"); and (iii) fees for managing hotels in our ownership segment. The ownership segment primarily derives revenues from nightly hotel room sales, food and beverage sales and other services at our consolidated owned and leased hotels. For more information regarding our segments, refer to "—Our Business—Management and Franchise" and "—Our Business—Ownership" below.

In addition to our current hotel portfolio, we are focused on the growth of our business by expanding our global hotel network through our development pipeline, which represents hotels that we expect to add to our system in the future. The following table summarizes our development activity:

	As of or for the Year Ended December 2024	
	Hotels	**Rooms[1]**
Hotel system		
Openings[2]	973	98,4(
Net additions[3]	904	83,0(
Development pipeline		
Additions[4]	1,432	154,2(
Count as of period end[5]	3,578	498,6(

(1) Rounded to the nearest hundred.
(2) Openings include 411 hotels and approximately 19,500 rooms from strategic partner hotels.
(3) Represents room additions, net of rooms removed from our system. During 2024, 409 hotels and approximately 19,400 rooms added were from strategic partner hotels. Net unit growth for the year ended December 31, 2024 was 7.3 percent.
(4) Additions include 423 hotels and approximately 20,100 rooms from strategic partner hotels.
(5) The hotels in our development pipeline were under development throughout 118 countries and territories, including 25 countries and territories where we had no existing hotels, with nearly half of the rooms under construction and more than half of the rooms located outside of the U.S. Rooms under construction include rooms for hotels under construction or operating hotels that are in the process of conversion to our system. Nearly all of the rooms in our development pipeline will be in our management and franchise segment upon opening. We do not consider any individual development project to be material to us.

We continue to drive customer loyalty, including participation in our Hilton Honors guest loyalty program, through: (i) our experience in the hospitality industry, which spans more than a century of customer service and entrepreneurship, and continues to evolve to meet the tastes, preferences and demands of our guests; (ii) our strong, well-defined brands that operate throughout the hospitality industry chain scales; (iii) our dedicated and collaborative workforce, built to focus on providing exceptional customer experiences; and (iv) our commercial service offerings. We believe that satisfied customers will generate additional business at our properties, yielding strong overall hotel performance for us and our hotel owners. Strong results at our existing properties will encourage further development of additional hotels under our brands and conversions of existing hotels to our brands with both (i) owners who currently have properties in our system and (ii) new owners who sign management or franchise contracts with us in the future, which further supports our growth and future financial performance. We believe that our existing hotel system and development pipeline, which will require minimal capital investment from us, positions us to further improve and grow our business, allocate capital effectively and meet our customers' demands and preferences in the future.

Our Brand Portfolio

The goal of each of our brands is to deliver exceptional customer experiences and superior operating performance.

Brand[1]	December 31, 2024[1] Countries/ Territories	Properties	Rooms	Percentage of Total Rooms	Selected Competitors[2]
WALDORF ASTORIA	17	34	8,796	0.7%	Four Seasons, Mandarin Oriental, Peninsula, Ritz-Carlton, Rosewood Hotels & Resorts, St. Regis
CONRAD HOTELS & RESORTS	24	49	17,195	1.4%	JW Marriott, Intercontinental, Sofitel, Grand Hyatt, Shangri-La, Fairmont
LXR HOTELS & RESORTS	7	15	2,619	0.2%	Leading Hotels of the World, Legend Preferred Hotels & Resorts, Belmond, The Luxury Collection
NOMAD	1	1	91	—%	Firmdale Hotels, EDITION Hotels, Rosewood Hotels, One Aldwych
Signia by Hilton	2	4	2,797	0.2%	JW Marriott, Grand Hyatt, Fairmont, Intercontinental, Omni
canopy by Hilton	13	43	7,581	0.6%	Kimpton, Thompson Hotels, W Hotels, Virgin Hotels, The Hoxton, SO/
Hilton	98	617	227,467	17.9%	Hyatt Regency, Marriott, Omni, Sheraton, Westin
CURIO COLLECTION by Hilton	44	180	33,734	2.7%	Autograph Collection, The Unbound Collection, Independent Hotels, MGallery, Kimpton
Graduate BY HILTON	2	34	5,788	0.5%	Le Meridien, Hyatt Centric, 25h, Hotel Indigo
DOUBLETREE	59	695	156,943	12.4%	Marriott, Crowne Plaza, Delta, Holiday Inn, Radisson, Sheraton, Wyndham
TAPESTRY COLLECTION by Hilton	21	151	17,768	1.4%	Joie de Vivre, Tribute Portfolio, Kimpton, Hotel Indigo, Ascend, Trademark
EMBASSY SUITES by Hilton	8	269	61,974	4.9%	Hyatt Regency, Marriott, Sheraton, Westin
TEMPO by Hilton	1	4	1,224	0.1%	AC Hotels, Aloft Hotels, Cambria, Hotel Indigo, Hyatt Centric
MOTTO by Hilton	4	8	1,727	0.1%	MAMA Shelter, CitizenM, Ace Hotels, Yotel, Freehand
Hilton Garden Inn	64	1,060	156,471	12.3%	Aloft, Courtyard by Marriott, Four Points, Holiday Inn, Hyatt Place
Hampton by Hilton	43	3,072	342,737	27.0%	Comfort Suites, Courtyard by Marriott, Fairfield Inn, Holiday Inn Express, Springhill Suites
tru by Hilton	5	283	27,605	2.2%	Best Western, Comfort Inn, La Quinta, Sleep Inn, Wingate, Avid
spark by Hilton	4	96	8,710	0.7%	Quality Inn, Baymont, Travelodge, Howard Johnson, Super 8, Days Inn
HOMEWOOD SUITES by Hilton	4	544	62,319	4.9%	Element, Hyatt House, Residence Inn, Staybridge Suites
HOME2 SUITES BY HILTON	3	757	82,515	6.5%	TownePlace Suites, Staybridge Suites, Hyatt Studios
LivSmart Studios by Hilton	—	—	—	—%	StudioRes, Candlewood Suites, Stay Apt Suites, ECHO Suites, Extended Stay America Premiere Suites
Hilton GRAND VACATIONS	8	105	18,392	1.5%	Disney Vacation Club, Holiday Inn Club Vacations, Marriott Vacations Worldwide, Travel & Leisure Co.

(1) Excludes 17 unbranded properties with 4,392 rooms, representing approximately 0.3% of total rooms and 409 strategic partner hotels with 19,361 rooms, representing approximately 1.5% of total rooms. Hilton Grand Vacations is inclusive of Hilton Club, Hilton Grand Vacations Club and Hilton Vacation Club.

(2) These selected competitors exclude lesser-known regional competitors.

Waldorf Astoria Hotels & Resorts: Waldorf Astoria Hotels & Resorts is a luxury brand with an award-winning portfolio of iconic properties with a relentless commitment to elegant service, one-of-a-kind experiences and culinary expertise in landmark destinations around the world. Waldorf Astoria hotels deliver an effortless experience seamlessly, creating a true sense of place for guests through stunning architecture and design, the signature Peacock Alley restaurant, refined art collections, Michelin-starred dining restaurants and chef partnerships and elevated in-room amenities.

Conrad Hotels & Resorts: Conrad Hotels & Resorts is a luxury brand that connects bold design, impactful experiences and curated contemporary art to inspire the conscientious traveler. Found in major urban centers and resort destinations, Conrad is a place where guests are empowered to explore through intuitive service and experiences that authentically connect them with local culture.

LXR Hotels & Resorts: LXR Hotels & Resorts is a hand-picked collection of independent and spirited luxury properties celebrating the timeless pursuit of personal adventure. Found in alluring destinations, LXR connects legendary properties into an exclusive network of hotels that are set apart by individual design, an unrivaled commitment to personalized service and elegant, yet locally immersive, experiences for guests.

NoMad Hotels: NoMad Hotels is a luxury brand that brings guests sophisticated offerings in some of the world's most sought-after locations. NoMad Hotels are both grand and intimate, creating a unique blend of luxury and lifestyle experiences throughout the stay with special touches like unique local art collections featured in each property.

Signia by Hilton: Signia by Hilton is a luxury brand with a portfolio of exceptional hotels in gateway cities and resort destinations around the world. Each Signia by Hilton property infuses sophistication into every stay, offering top-tier meetings and event spaces, a vibrant atmosphere, exceptional amenities and personalized service catered to the needs of today's global traveler.

Canopy by Hilton: Canopy by Hilton is an upper upscale brand that delivers elevated, boutique hotel experiences that celebrate the best of the locale. Inviting, sophisticated design, bespoke food and beverage and crafted touchpoints deliver a locally inspired, high-end and welcoming stay.

Hilton Hotels & Resorts: As Hilton’s flagship brand, Hilton Hotels & Resorts is the trusted global leader in hospitality. An upper upscale brand with more than 600 hotels and resorts in nearly 100 countries and territories, Hilton Hotels & Resorts continues to set the standard for the industry and upholds Conrad Hilton’s vision to fill the earth with the light and warmth of hospitality by elevating every celebration and event, creating real human connections, and immersing guests in the best of global and local cultures in the world’s most desired destinations.

Curio Collection by Hilton: Curio Collection by Hilton is an upper upscale brand with a global portfolio of individually remarkable hotels hand-picked to immerse guests in one-of-a-kind moments in sought-after destinations. Each hotel in the Curio Collection evokes a bespoke story through distinctive architecture and design, world-class food and beverage and curated experiences.

Graduate by Hilton: Graduate by Hilton is an upper upscale lifestyle brand of handcrafted hotels in dynamic, university-anchored towns. Each Graduate hotel brings stories and traditions to life and offers the perfect setting for game days, reunions, graduations, campus visits and more.

DoubleTree by Hilton: DoubleTree by Hilton is a fast-growing global upscale brand that continues to be a symbol of comfort for business and leisure travelers around the world, offering contemporary accommodations and amenities. DoubleTree by Hilton is renowned for its warm, caring service, beginning with its signature welcome that includes the hotel’s famous original chocolate chip cookie, now available in an allergy-friendly option. The inclusive service experience offers upscale food and beverage experiences and features a variety of flexible meeting spaces for events of all sizes.

Tapestry Collection by Hilton: Tapestry Collection by Hilton is an upper upscale brand with a portfolio of original hotels that offer guests unique style and vibrant personality, encouraging travelers to connect to their destination and enjoy authentic off-the-beaten-path experiences. While each property is unique, every Tapestry Collection by Hilton property is united by the reliability that comes with the Hilton name.

Embassy Suites by Hilton: Embassy Suites by Hilton offers both leisure and business travelers an approachable, upper upscale experience. As a full-service hotel, every Embassy Suites provides spacious two-room suites with separate bedroom

and living room spaces, free made-to-order breakfast each morning, complimentary drinks and snacks during evening reception every night, flexible meetings and events spaces and 24-hour fitness centers.

Tempo by Hilton: Tempo by Hilton is an upscale, stylish and contemporary lifestyle hotel brand designed for the ambitious traveler looking to maintain a sense of balance and momentum. Tempo by Hilton offers re-imagined guest rooms designed with well-being in mind, dynamic communal spaces for collaboration or focused work, healthy cafe-style dining, a leading-edge beverage program and next-level fitness facilities.

Motto by Hilton: Motto by Hilton is an upper midscale brand with an urban, lifestyle feel designed to connect guests to the center of it all – buzz-worthy spaces and the pulse of the community. Through its efficient guest rooms, lively common spaces and locally inspired food and beverage options catering to guests and locals alike, Motto is a launchpad to destinations around the globe and delivers a flexible and innovative hospitality experience through elements like first-of-its-kind connecting rooms for up to nine rooms.

Hilton Garden Inn: Hilton Garden Inn is an award-winning, upscale brand where guests find an open, inviting atmosphere with warm, glowing service and simple, thoughtful touches that allow them to socialize and unwind. As a recognized leader in food and beverage offerings, Hilton Garden Inn caters to guests' dining needs by serving cooked-to-order breakfast and offering handcrafted cocktails, shareable small plates and full meals at its on-site restaurants and bars. Flexible meeting space, free Wi-Fi, wireless printing and fitness centers are offered to help guests stay productive.

Hampton by Hilton: Hampton by Hilton is our largest brand and includes both Hampton Inn and Hampton Inn & Suites hotels, with properties located on five continents. Recognized as a leading upper midscale brand in the lodging industry, Hampton has been ranked the #1 lodging brand to franchise by Entrepreneur for 16 consecutive years. Hampton by Hilton hotels around the world provide guests high-quality and thoughtfully designed accommodations, friendly and authentic service and value-added amenities, like complimentary hot breakfast and free Wi-Fi, all backed by the 100% Hampton Guarantee.

Tru by Hilton: Tru by Hilton is a game-changing, midscale hotel brand where guests don't have to compromise between a consistent, fun and affordable hotel stay. Spirited, simplified and grounded in value, Tru by Hilton is designed for cross-generational appeal, with a large, reimagined public space where guests can work, play, lounge and eat. Intuitively designed modern guest rooms feature a rolling desk, oversized windows for natural light and bright, spacious bathrooms. Guests can enjoy complimentary amenities, including the build-your-own "Top It" breakfast bar featuring our tasty pancakes, a multifunctional fitness center and fast Wi-Fi. Premium snacks, light meal options and single-serve wine and beer are available for purchase at the 24/7 Eat. & Sip. market.

Spark by Hilton: Spark by Hilton is a premium economy hotel brand at the intersection of value and consistency. Spark by Hilton provides a reliable and comfortable stay at a hotel with friendly service for every guest, all at an accessible price. Offering simple design with splashes of color and cheer, Spark by Hilton hotels provide a welcoming sense of arrival with colorful exterior statement walls and inspiring artwork. The public spaces provide multi-functional seating, from communal tables to rocking chairs, and guest rooms are comfortable and relaxing with simple, streamlined furniture. Travelers can enjoy complimentary breakfast with premium coffee and a signature bagel bar.

Homewood Suites by Hilton: Homewood Suites by Hilton is an upscale, award-winning, all-suites, extended-stay hotel brand that delivers the comforts of home. This brand offers home-like accommodations for guests and their pets traveling for an extended stay or quick overnight trip. Guests enjoy inviting, generous-sized suites featuring separate living and sleeping areas and fully equipped kitchens with full-size refrigerators as well as value-driven amenities including free breakfast and complimentary evening receptions every week.

Home2 Suites by Hilton: Home2 Suites by Hilton is an upper midscale, all-suites, award-winning extended-stay hotel brand offering stylish accommodations with flexible guest room configurations and home-like amenities. With a focus on environmentally friendly products and hotel operations, Home2 Suites by Hilton offers laundry and fitness areas, outdoor spaces, pet-friendly environments and complimentary breakfast.

LivSmart Studios by Hilton: LivSmart Studios by Hilton is a midscale, long-stay hotel brand for guests looking for comfortable apartment-style accommodations for 10 nights or more. Offering simplicity, consistency and convenience, LivSmart Studios by Hilton will create a space where guests can seamlessly maintain their daily routines while also immersing themselves in the local community. In addition to studio suites with ample storage space and fully equipped kitchens, the hotel will feature a streamlined public area filled with natural light that includes a retail market, a large guest laundry room and a state-of-the-art fitness center. There will also be a spacious outdoor gathering area and comfortable seating for guests looking to

connect. LivSmart Studios' pioneering vision for transforming the extended-stay segment is credited with Hilton's recognition as one of Fast Company's 2024 Most Innovative Companies. We expect to open our first LivSmart hotel in 2025 and as of December 31, 2024 had over 75 hotels in our development pipeline.

Hilton Grand Vacations: Our timeshare brands, including Hilton Club, Hilton Grand Vacations Club and Hilton Vacation Club, are premier vacation ownership brands known for delivering a consistently exceptional standard of service, maximum flexibility for members and guests and elegant, family-friendly resorts in desirable locations around the world. Signature elements include spacious, well-appointed accommodations and resorts with extensive on-site amenities. A special points-based reservation system gives owners the flexibility to vacation when, where and how they prefer. HGV has the exclusive right to use our timeshare brands, subject to the terms of a long-term license agreement with us.

Our Guest Loyalty Program

Hilton Honors 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 stay at our owned, leased, managed, franchised and timeshare properties, as well as each stay at strategic partner hotels when the stay is reserved through our booking channels, which are then redeemable for free or discounted room nights at our properties and other goods and services. Hilton Honors members can also use points earned to transact with strategic partner hotels as well as many strategic partners, including credit card providers, such as American Express, airlines, rail and car rental companies, Amazon, Lyft and others. Hilton Honors members who book through preferred Hilton channels also have access to instant benefits, including a flexible payment slider that allows members to choose nearly any combination of points and money to book a stay, an exclusive member discount and free standard Wi-Fi. Members also have access to contactless technology exclusively through the Hilton Honors app, where members can check in, choose their room and access their room using Digital Key. The program provides targeted marketing, promotions and customized guest experiences to 211 million members. Affiliation with our loyalty program encourages members to allocate more of their travel spend to our hotels. The percentage of travel spend we capture from loyalty members increases as they move up the tiers of our program. The program is funded by contributions from eligible revenues generated by Hilton Honors members and collected from properties in our system, as well as our strategic partnerships. The funds collected by the Hilton Honors program are subsequently applied to reimburse properties and strategic partners for Hilton Honors points redemptions by loyalty members and to pay for administrative expenses and marketing initiatives that support the program.

Our Business

As of December 31, 2024, our existing system included the following properties and rooms, by type, brand and region:

	Owned / Leased[1]		Managed		Franchised / Licensed		Total	
	Properties	Rooms	Properties	Rooms	Properties	Rooms	Properties	Rooms
Waldorf Astoria Hotels & Resorts	2	463	32	8,333	—	—	34	8,796
Conrad Hotels & Resorts	2	779	43	13,920	4	2,496	49	17,195
LXR Hotels & Resorts	—	—	7	1,155	8	1,464	15	2,619
NoMad	—	—	1	91	—	—	1	91
Signia by Hilton	—	—	4	2,797	—	—	4	2,797
Canopy by Hilton	—	—	11	1,850	32	5,731	43	7,581
Hilton Hotels & Resorts	46	15,896	298	127,317	273	84,254	617	227,467
Curio Collection by Hilton	—	—	27	6,055	153	27,679	180	33,734
Graduate by Hilton	—	—	—	—	34	5,788	34	5,788
DoubleTree by Hilton	—	—	170	46,265	525	110,678	695	156,943
Tapestry Collection by Hilton	—	—	5	694	146	17,074	151	17,768
Embassy Suites by Hilton	—	—	40	10,551	229	51,423	269	61,974
Tempo by Hilton	—	—	1	661	3	563	4	1,224
Motto by Hilton	—	—	—	—	8	1,727	8	1,727
Hilton Garden Inn	—	—	126	24,736	934	131,735	1,060	156,471
Hampton by Hilton	—	—	53	8,549	3,019	334,188	3,072	342,737
Tru by Hilton	—	—	—	—	283	27,605	283	27,605
Spark by Hilton	—	—	—	—	96	8,710	96	8,710
Homewood Suites by Hilton	—	—	8	1,020	536	61,299	544	62,319
Home2 Suites by Hilton	—	—	2	210	755	82,305	757	82,515
Strategic partner hotels[2]	—	—	—	—	409	19,361	409	19,361
Other[3]	—	—	3	1,087	14	3,305	17	4,392
Total hotels	**50**	**17,138**	**831**	**255,291**	**7,461**	**977,385**	**8,342**	**1,249,814**
Hilton Grand Vacations[4]	—	—	—	—	105	18,392	105	18,392
Total system	**50**	**17,138**	**831**	**255,291**	**7,566**	**995,777**	**8,447**	**1,268,206**

	Owned / Leased[1]		Managed		Franchised / Licensed		Total	
	Properties	Rooms	Properties	Rooms	Properties	Rooms	Properties	Rooms
U.S.	—	—	187	81,173	5,700	735,705	5,887	816,878
Americas (excluding U.S.)	1	405	70	17,819	393	54,446	464	72,670
Europe	39	11,579	111	27,920	665	83,727	815	123,226
Middle East & Africa	4	1,991	112	31,153	36	5,796	152	38,940
Asia Pacific	6	3,163	351	97,226	667	97,711	1,024	198,100
Total hotels	**50**	**17,138**	**831**	**255,291**	**7,461**	**977,385**	**8,342**	**1,249,814**
Hilton Grand Vacations[4]	—	—	—	—	105	18,392	105	18,392
Total system	**50**	**17,138**	**831**	**255,291**	**7,566**	**995,777**	**8,447**	**1,268,206**

(1) Includes hotels owned or leased by entities in which we own a noncontrolling financial interest.
(2) Includes hotels that are included in our booking channels and participate in the Hilton Honors guest loyalty program through strategic partnership arrangements.
(3) Includes other hotels in our system that are not distinguished by a specific Hilton brand.
(4) Includes properties under timeshare brands including Hilton Club, Hilton Grand Vacations Club and Hilton Vacation Club.

Management and Franchise

We manage hotels and license our brands through our management and franchise segment. This segment generates its revenue primarily from fees charged to hotel owners under management and franchise contracts, as well as from fees associated with license agreements, which include arrangements with strategic partner hotels. We grow our management and franchise business by attracting owners to become a part of our system and participate in our commercial services to support their properties. Our management and franchise contracts provide significant return on investment for us as we earn and collect fees.

Hotel Management

Our core management services consist of operating hotels under management contracts for the benefit of third parties who either own or lease the hotels and the associated personal property. Often, particularly in the U.S., we employ the individuals working at these locations. Terms of our management contracts vary, but our fees generally consist of a base management fee, which is generally based on a percentage of the hotel's monthly gross operating revenue, and, when applicable, an incentive management fee, which is generally based on a percentage of the hotel's operating profits, normally over a one calendar year period, and, in some cases, may be subject to a stated return threshold to the hotel owner. In general, the owner pays all operating and other expenses and reimburses any of our out-of-pocket expenses. In turn, our managerial discretion is subject to approval by the owner in certain major areas, including the approval of annual operating and capital expenditure budgets and, in most instances, the appointment of certain key personnel. Additionally, the owners generally pay monthly program fees based on the underlying hotel's sales or usage, as reimbursement for the costs related to our: (i) advertising and marketing programs; (ii) internet, technology and reservation systems; and (iii) quality assurance programs. Owners are also responsible for various other fees and charges, including payments for participation in our Hilton Honors guest loyalty program, training, consultation and procurement of certain goods and services. As of December 31, 2024, we managed 831 hotels with 255,291 rooms, which does not include hotels in our ownership segment.

The initial terms of our management contracts are typically 20 to 30 years. In certain cases, we are both the franchisor and manager of the hotel, when we enter into a franchise contract in addition to the management contract, and, in these cases, we classify the hotel as managed in our system. Extension options for our management contracts are negotiated and vary, but typically are more prevalent in full service hotels. Generally, these contracts contain one or two extension options that are for either five or 10 years and can be exercised at our or the hotel owner's option or by mutual agreement, as specified by the contract.

Some of our management contracts provide early termination rights to hotel owners upon certain events, including the failure to meet certain financial or performance criteria. Performance test measures typically are based upon the hotel's performance individually and/or in comparison to specified competitive hotels. We often have an optional cure right to pay an amount equal to the performance shortfall over a specified period, although in some cases our cure rights are limited.

Franchising

We license our IP, including our brand names, trademarks and service marks, and our operating systems to hotel owners under franchise contracts. We do not own, manage or operate franchised properties, do not employ the individuals working at these properties and do not have any legal responsibility for the employees or the liabilities associated with operating these properties. We conduct periodic inspections of our franchised hotels to ensure that brand standards that we establish are maintained. For newly franchised hotels, including both new construction and conversions of existing hotels outside of our system, we approve the location, as well as the plans for the facilities, to ensure the hotels meet our brand standards. For existing franchised hotels, we provide franchisees with property improvement plans that must be completed to keep the hotels in compliance with our brand standards, so that they can remain in our hotel system.

Each franchisee pays us an application, initiation or other fee in conjunction with the inception of a franchise contract. Franchisees also pay a royalty fee, generally based on a percentage of the hotel's monthly gross room revenue and, in some cases, may also include a percentage of gross food and beverage revenues and other revenues, as applicable. Additionally, franchised properties generally pay monthly program fees based on the underlying property's sales or usage, as reimbursement for the costs related to our: (i) advertising and marketing programs; (ii) internet, technology and reservation systems; and (iii) quality assurance programs. They are also responsible for various other fees and charges, including payments for participation in our Hilton Honors guest loyalty program, training, consultation and procurement of certain goods and services. We also earn license fees from license agreements with strategic partners, including co-branded credit card providers and strategic partner hotels, and HGV. As of December 31, 2024, including timeshare properties and strategic partner hotels, we franchised or licensed 7,566 hotels and resorts with 995,777 rooms.

Our franchise contracts typically have initial terms of approximately 20 years for new hotels and approximately 10 to 20 years for hotels converting from hotels outside of our system. At the expiration of the initial term, we may relicense the hotel to the franchisee, at our or the hotel owner's option or by mutual agreement, for an additional term generally ranging from 10 to 15 years. We have the right to terminate a franchise contract upon specified events of default, including nonpayment of fees or noncompliance with brand standards. If a franchise contract is terminated by us because of a franchisee's default, the franchisee is contractually required to pay us liquidated damages.

Ownership

As a hotel owner and lessee, we focus on maximizing cost efficiency and profitability of the portfolio by, among other things, maximizing hotel revenues, implementing cost-effective labor management practices and systems and reducing fixed costs. Through our disciplined approach to hotel and asset management, we develop and execute on strategic plans for each of our hotels to enhance their competitive position and we invest in renovating guest rooms and public spaces and adding or enhancing meeting and retail space for properties where we believe such investments will improve profitability. As of December 31, 2024, the ownership segment included 50 hotels totaling 17,138 rooms, comprising 43 hotels that we leased, two hotels that were each leased by a consolidated variable interest entity ("VIE") and five hotels owned or leased by unconsolidated affiliates.

Corporate Responsibility

Hilton strives to create long-term value for all our stakeholders and strengthen the resilience of our business while also advancing responsible travel and tourism globally through our Travel with Purpose strategy. As one of the world's largest hospitality companies, Hilton recognizes its responsibility to create positive environmental and social impacts across our operations, supply chain and communities to ensure our properties and surrounding communities remain vibrant and resilient for generations of travelers to come. We have established and maintain a governance structure that supports our strategy by overseeing the management of the business in a manner consistent with the best interests of Hilton and our stakeholders.

We continue to make progress towards our Travel with Purpose goals, including: (i) building a more sustainable future through destination stewardship and well-defined targets for emissions, water and waste; (ii) supporting positive social impact by advancing careers, communities and responsible conduct; and (iii) advancing and measuring our goals with integrity and transparency through our company policies and reporting mechanisms.

Our efforts are supported by a governance structure that is designed to ensure the objectives are an important part of our business and strategic priorities. Our executive committee receives at least quarterly updates on our Travel with Purpose programs and progress, and one of the three standing committees of Hilton's board of directors also receives quarterly reports on this progress, reviews and assesses our related strategy and makes recommendations to the board and management as appropriate. The board of directors also receives annual updates on our Travel with Purpose strategy and impact.

LightStay is our proprietary system for measuring and reporting our progress toward our Travel with Purpose goals. Our properties track energy, water, waste and associated utility cost reduction projects under way, as well as community volunteerism and charitable donations. Robust reports inform our properties of their progress on a regular basis.

The Hilton Global Foundation supports nonprofits and local community organizations that serve as partners to amplify our positive environmental and social impact around the world. The Hilton Global Foundation, created in 2019, is our primary international philanthropic arm and is registered as a U.S.-based 501(c)(3) charitable organization. In 2024, the Hilton Global Foundation announced $5.3 million in grants to support environmental sustainability, hospitality career development, and community resilience.

More details about our Travel with Purpose goals and our progress toward them are reported annually in our Travel with Purpose Report, available at cr.hilton.com.

Environmental Impact

We remain focused on our goal of reducing emissions, water and waste intensity at the hotels we operate. These efforts are supported by utility cost savings measures including HVAC controls, building automation system technologies and turnkey LED lighting, fueled by utility incentives wherever possible, to strengthen the return on investment and deliver cost savings to owners and enhance the guest experience. We also continued to create resources that will help facilitate the efficient operation of our hotels and take steps to increase our sourcing of renewable electricity at our hotels around the world. Additionally, through our Meet with Purpose offering, we partner with our corporate customers to quantify and plan sustainable meetings by providing them, upon request, with reporting that estimates emissions for their event, as well as options to reduce those estimated emissions.

Social Impact

With a presence in 140 countries and territories, we use our global scale to be an engine of opportunity by positively impacting our communities through local support and volunteering, creating learning and career growth opportunities, disaster relief and other economic support initiatives.

During 2024, Hilton and the Hilton Global Foundation supported our hotel teams and surrounding communities through disasters and crises, including the floods in Brazil and Hurricanes Helene and Milton that devastated parts of the southeastern U.S. This included making a series of contributions to World Central Kitchen, supporting the delivery of meals to those in need.

Hilton also remains committed to combating human trafficking, and we require all hotel-based employees to complete an annual training on identifying signs of trafficking. We partner with PACT, an organization dedicated to reducing trafficking and exploitation, to help prevent trafficking, and similarly collaborate on human rights initiatives through the World Sustainable Hospitality Alliance, World Travel and Tourism Council, American Hotel & Lodging Association ("AHLA") and United Kingdom ("U.K.") Stop Slavery Hotel Industry Network. The Hilton Global Foundation continues to support the AHLA Foundation's No Room for Trafficking Survivor Fund, which aims to equip community-based organizations to engage and support trafficking survivors.

At Hilton, we prioritize responsible sourcing by requiring suppliers to comply with the standards in our Hilton Responsible Sourcing Policy, which include integrity and fair dealing, human rights, protecting personal and business information, commitment to the environment and providing a safe and healthy work environment.

See "—Human Capital Management—Career Opportunities, Development and Training" below for information on learning and career growth opportunities.

Human Capital Management

As of December 31, 2024, we employed or managed approximately 181,000 individuals at our owned, leased and managed hotels and corporate offices. There were approximately 311,000 additional individuals employed by third-party owners working at our franchised properties.

Our human capital management strategy focuses on attracting, developing and retaining the best talent in the industry, and our executive committee reviews talent strategy and succession plans on a quarterly basis to assess current and future talent needs. We want to build a strong employee-centered culture that creates connectivity, camaraderie and trust among all employees, which then supports our employees to deliver positive experiences to guests at our hotels. Hilton's commitment to building strong culture focuses on creating a workplace that offers strong growth opportunities and is driven by purpose and earned Hilton recognition by Fortune magazine and Great Place to Work as the 2024 #2 World's Best Workplace and top hospitality company in the world for the eighth consecutive year.

During the year ended December 31, 2024 we saw improvements in workforce stability, with both hiring and retention volumes normalizing in comparison to pre-pandemic levels. We continue to review our benefits and programmatic offerings to ensure we remain competitive, are investing in our employees' development and well-being and are enhancing our recruiting strategies to tap into new pools of talent.

Compensation and Benefits

Hilton offers competitive pay and benefits to its employees, including a variety of compensation programs and comprehensive benefit programs. We regularly review pay parity across various workforce segments as part of our ongoing talent processes. Through our employee stock purchase plan, eligible employees can purchase Hilton stock through after-tax payroll deductions at a 15 percent discount from the market stock price.

As of December 31, 2024, approximately 25 percent of people employed or managed by us globally and approximately 40 percent of people working in the U.S. were covered by various collective bargaining agreements that generally address pay rates, working hours, other terms and conditions of employment, certain employee benefits and orderly settlement of labor disputes.

Our benefits and programs include paid time off, parental leave, adoption assistance, subsidized health insurance, education assistance, flexible work arrangements and Go Hilton travel programs, which make discounted rooms available to hotel and corporate employees, as well as their families and friends.

Our medical and mental health care programs include a global platform focused on caregiving that provides resources for employee self-care, as well as enabling employees to care for others, including sick, disabled or elderly family members, children and pets; a concierge service supporting eligible employees with logistical and administrative tasks related to caregiving; education, training and resources on substance use disorders to eligible employees; an Employee Assistance Program; and parental and bereavement leave and education resources for expecting and new parents.

We regularly survey our employees to monitor levels of engagement, trust, and management effectiveness, among other targeted topics, and use their feedback to inspire program enhancements and new offerings. We strive to maximize employee retention and minimize attrition with these and other measures. Approximately 32 percent of our U.S. employees have been with Hilton for at least 10 years.

Career Opportunities, Development and Training

We take a broad, long-term and business-aligned approach to develop a dedicated and collaborative workforce to better serve our guests. Our Pathway Programs help foster economic mobility in the communities in which we operate and create a more robust talent pipeline for our business drawing from underrepresented groups including veterans, which consists of individuals who have served in the military and the caregivers and spouses of those who have served in the military, as well as people with disabilities and displaced persons.

The advancement of our employees is important to us and we provide them with robust learning and development opportunities, as well as mentorship opportunities to corporate employees at all levels. We are focused on providing opportunities for the internal movement of our employees and the promotion from entry level positions into management positions at our hotels or corporate offices across the organization. Our career development approach emphasizes customized experiences so that employees can follow a training and career path best suited to their goals including a wide array of general business, industry or function-specific technical skills and leadership development courses and programs.

Our leadership development programs aim to build leadership skills through structured levels of self-paced learning and live facilitated sessions with focus areas of leading self, leading individuals and leading teams. Additionally, our People Leader Essential training offers a self-paced curriculum to employees, with content on key leadership topics, including effective communication, delegation, prioritization, coaching and talent development to support current, new and future people leaders at Hilton. One of our targeted programs for developing General Managers (“GMs”), GM Academy, is centered on nine core GM business capabilities, some of which include leadership and people management, asset management, customer engagement and commercial performance. Additionally, Hilton's global Signature Leadership Development programs and mentorship programs focus on building effective leaders across the enterprise to grow our leadership bench strength. These programs provide opportunities for participants to develop key competencies, network with and learn from senior leaders and enhance business acumen.

Governance, Ethics and Regulatory Compliance

As a core underpinning of our entire organization, our board of directors oversees our ethics and compliance program, which requires all Hilton employees to conduct themselves at the highest standards with respect to all ethics and compliance matters. Our Code of Conduct establishes a set of global business principles, with our compliance organization, training, risk

management and monitoring activities tailored to address unique risks by geography, business line, function and level. Our Code of Conduct is supported by robust compliance policies addressing risk areas such as corruption, trade sanctions, insider trading, privacy, confidential information, antitrust and escalation of concerns. Our legal and compliance training program, which is an annual requirement for all of our employees, conveys consistent compliance standards across the organization in formats designed to target different knowledge levels, learning styles and functional needs. Our annual training calendar includes mandatory training and supplemental training that is supported by periodic company-wide awareness campaigns highlighting Hilton-specific risks and scenarios.

In governing the physical safety of our properties and teams, to help ensure the safety and security of our employees and guests, we constantly monitor threats and incidents around the world through online tools and external networks and partnerships; support our properties globally with crisis alert communications, crisis plans and area crisis teams; provide employees with safety and security training resources; and conduct safety and security audits annually using a risk-based approach.

Our legal compliance team administers a third-party risk management program so that we understand the qualifications, reputation and associations of third parties with whom we transact, particularly third parties who interface with government officials and third parties who act in Hilton's name, such as owners of our hotels. The third-party risk management program includes due diligence, education materials for third parties, ongoing monitoring of relationships and appropriate contract audit and termination rights. Our legal compliance team also monitors a comprehensive and confidential reporting tool to assist management and employees in addressing fraud, abuse and other misconduct in the workplace. The Audit Committee of our board of directors receives regular updates from our legal compliance team on third-party risk and information from our confidential reporting tool.

Competition

We encounter active and robust competition as a hotel and resort manager, franchisor, owner and lessee. Competition in the hospitality industry is based on several criteria, generally including: the attractiveness of the facility; location; level of service; quality of accommodations; amenities; food and beverage options and outlets; public and meeting spaces and other guest services; consistency of service; room rate; brand reputation; and the ability to earn and redeem loyalty program points through a global system. Our properties and brands compete with other hotels, resorts, motels, inns and other accommodation rental services in their respective geographic markets or customer segments, including facilities owned by local interests, individuals, national and international chains, institutions, investment and pension funds and real estate investment trusts ("REITs"). We believe that our capabilities as a multi-branded manager, franchisor, owner and lessee of hotels with an associated global, system-wide guest loyalty program and commercial platform help us continue to maintain our position as one of the largest and most geographically diverse hospitality companies in the world.

Our principal competitors include other branded and independent hotel operating companies, national and international hotel brands and ownership companies. While local and independent brand competitors vary, on a global scale, our primary competitors are Accor S.A., Choice Hotels International, Hongkong and Shanghai Hotels, Hyatt Hotels Corporation, Intercontinental Hotel Group, Marriott International, Radisson Hotel Group and Wyndham Hotels & Resorts.

Seasonality

The hospitality industry is seasonal in nature. The periods during which our properties experience higher or lower levels of demand vary from property to property, depending principally upon their location, type of property and competitive mix within the specific location. Based on historical results, we generally expect our revenues to be lower in the first quarter of each year than in each of the three subsequent quarters.

Cyclicality

The hospitality industry is cyclical, and demand generally follows, on a lagged basis, key macroeconomic indicators. There is a history of increases and decreases in the development and supply of and demand for hotel rooms, occupancy levels and room rates realized by hotel owners through economic cycles. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel, including personnel costs, rent, property taxes, insurance and utilities, tend to be more fixed than variable. As a result of such fixed costs, in a negative economic environment, the rate of decline in earnings can be higher than the rate of decline in revenues.

Intellectual Property

In the highly competitive hospitality industry in which we operate, trademarks, service marks, trade names, logos and patents are very important to the success of our business. We have a significant number of trademarks, service marks, trade names, logos, patents and pending registrations and expend significant resources each year on surveillance, registration and protection of our IP, which we believe has become synonymous in the hospitality industry with a reputation for excellence in service and authentic hospitality.

Government Regulation

Our business is subject to various foreign and U.S. federal and state laws and regulations, including laws and regulations that govern the offer and sale of franchises, many of which impose substantive requirements on franchise contracts and require that certain materials be registered before franchises can be offered or sold in a particular jurisdiction.

In addition, a number of states regulate the activities of hospitality properties and restaurants, including safety and health standards, as well as the sale of liquor at such properties, by requiring licensing, registration, disclosure statements and compliance with specific standards of conduct. Operators of hospitality properties also are subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions and work permit requirements. Our franchisees are responsible for their own compliance with laws, including with respect to their employees, minimum wage requirements, overtime, working conditions and work permit requirements. Compliance with, or changes in, these laws could reduce the revenue and profitability of our properties and could otherwise adversely affect our operations.

We also manage hotels with casino gaming operations as part of or adjacent to the hotels, which are typically managed and operated by third parties. If we manage and operate the casinos, we employ third-party compliance consultants and service providers and hold and maintain the casino gaming license. As a result, our business operations at such facilities are subject to the licensing and regulatory control of the local regulatory agency responsible for gaming licenses and operations in those jurisdictions.

For additional information on government regulation, including environmental regulations and requirements, refer to "Part I—Item 1A. Risk Factors."

Insurance

U.S. managed hotels and foreign managed and franchised hotels are permitted to participate in certain of our insurance programs by mutual agreement with the hotel owners; however, if they do not participate in our insurance programs, the hotel owners must purchase insurance programs consistent with our requirements. Generally, U.S. franchised hotels are not permitted to participate in our insurance programs, but rather the hotel owners must purchase insurance programs consistent with our requirements. In addition, our management and franchise contracts typically include provisions requiring the hotel owner to indemnify us against losses arising from the design, development and operation of such hotel.

Most of our insurance policies are written with self-insured retentions or deductibles that are common in the insurance market for similar risks, and we believe such risks are prudent for us to assume. Our third-party insurance policies provide coverage for claim amounts that exceed our self-insurance retentions or deductible obligations. We maintain insurance coverage for general liability, property, business interruption, terrorism and other risks with respect to our business for all of our owned and leased hotels, and we maintain workers' compensation or equivalent coverage for all of our employees. We also are self-insured for health coverages for some of our U.S. and Puerto Rico employees, which include those working at our corporate operations and managed hotels, with third-party insurance protection for costs over specified thresholds.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC's website at www.sec.gov. Our SEC filings are also available free of charge on our website at ir.hilton.com as soon as reasonably practicable after they are filed with or furnished to the SEC. Our website and the information contained on or connected to that site are not incorporated into this Annual Report on Form 10-K.

Item 1A. Risk Factors

In addition to the other information in this Annual Report on Form 10-K, the following risk factors should be considered carefully in evaluating our company and our business.

Risks Related to Our Industry

We are subject to the business, financial and operating risks inherent to the hospitality industry, any of which could reduce our revenues and limit opportunities for growth.

Our business is subject to a number of business, financial and operating risks inherent to the hospitality industry, including:

- significant competition from multiple hospitality providers in all parts of the world;
- changes in the supply and demand for hotel services, including rooms, food and beverage and other products and services;
- the financial condition of and relationships with third-party property owners, developers and joint venture and strategic partners, including the risk that owners may terminate or fail to comply with our management, franchise, joint venture or strategic partner contracts;
- decreases in the frequency of business travel that may result from alternatives to in-person meetings, including virtual meetings hosted online or over private teleconferencing networks;
- decreases in the availability and/or increases in the cost of capital necessary for us and third-party hotel owners to fund investments, capital expenditures and service debt obligations;
- increases in operating costs, including employee compensation and benefits, energy, insurance, food and beverage and other supplies;
- significant increases in cost for health care coverage for employees and potential government regulation with respect to health care coverage;
- increases in costs due to inflation or other factors that may not be fully offset by increases in revenues in our business, as well as increases in overall consumer prices, including the prices of our offerings, due to inflation, which could weaken consumer demand for travel and the other products we offer and adversely affect our revenues;
- changes in taxes and governmental regulations that influence or set wages, prices, interest rates or construction and maintenance procedures and costs;
- the costs and administrative burdens associated with complying with applicable laws and regulations;
- the costs or desirability of complying with local practices and customs;
- shortages of labor or labor disruptions;
- the ability of third-party internet and other travel intermediaries who sell our hotel rooms to guests to attract and retain customers;
- the quality of services provided by franchisees, as well as their ability to comply with relevant regulations and contractual requirements relating to a variety of issues including environment, human rights and labor;
- delays in or cancellations of planned or future development or refurbishment projects at hotels in our system;
- cyclical over-building in the hospitality industry;
- changes in desirability of geographic regions of the hotels in our business, geographic concentration of our operations and customers and shortages of desirable locations for development; and
- the costs required for environmental initiatives, including those resulting from regulatory changes or stakeholder or customer expectations.

Any of these factors could (i) increase our costs or (ii) limit or reduce the prices we are able to charge (a) third-party hotel owners for providing management and franchise services or (b) hotel customers for hospitality products and services, or (iii) otherwise affect our ability to maintain existing properties or develop new properties. As a result, any of these factors can reduce our revenues and limit opportunities for growth.

Macroeconomic conditions, public health concerns, geopolitical activity and other factors beyond our control can adversely affect and reduce demand for our products and services.

Macroeconomic conditions, geopolitical activity, public health concerns and other factors beyond our control can reduce demand for hospitality products and services, including demand for rooms at our hotels. These factors include, but are not limited to:

- changes in general economic conditions, including inflation, interest rates, supply chain disruptions, low consumer confidence, increases in unemployment levels and depressed real estate prices resulting from the severity and duration of any downturn in the U.S. or global economy and financial markets;
- conditions that negatively shape public perception of travel or result in temporary closures or other disruption at our hotel properties, including travel-related accidents, outbreaks of pandemic or contagious diseases, such as COVID-19, Ebola, Zika, avian flu, severe acute respiratory syndrome (SARS), H1N1 (swine flu) and Middle East Respiratory Syndrome (MERS);
- geopolitical activity, political and social unrest and governmental action and uncertainty resulting from U.S. and global political and social trends and policies, including potential barriers to travel, trade and immigration;
- wars, such as Russia's invasion of Ukraine and the escalation of conflict in the Middle East, political instability or civil unrest, terrorist activities or threats and resulting heightened travel security measures, any of which may foreclose travel to certain locales or decrease the appeal of travel among the general population;
- the impact of U.S. Federal government shutdowns and other similar governmental budgetary impasses or reductions;
- decreased corporate or government travel-related budgets and spending, as well as cancellations, deferrals or renegotiations of group business, such as industry conventions;
- statements, actions or interventions by governmental officials related to travel and corporate travel-related activities and the resulting negative public perception of such travel and activities;
- the financial and general business condition of the airline, automotive and other transportation-related industries and its effect on travel, including decreased airline capacity and routes and increased travel costs;
- perceived negative impacts of tourism on local cultures, human rights and the environment;
- cyber-attacks;
- the impact of climate change or availability of natural resources;
- natural, climate-related or man-made disasters and extreme weather conditions, including earthquakes, tsunamis, tornadoes, hurricanes, typhoons, floods, wildfires, volcanic eruptions, oil spills and nuclear incidents;
- labor shortages, which could restrict our ability to efficiently operate or grow our business and/or increase our costs;
- organized labor activities, which could cause a diversion of business from hotels involved in labor negotiations and loss of business for our hotels generally as a result of certain labor tactics; and
- other changes in the overall demand for what we offer, including the desirability of particular locations or travel patterns of customers.

Any one or more of these factors could limit or reduce overall demand for our products and services or could negatively affect our revenue sources, which could adversely affect our business, financial condition and results of operations.

Contraction in the global economy or low levels of economic growth could adversely affect our revenues and profitability, as well as limit or slow our future growth.

Consumer demand for our services is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Decreased global or regional demand for hospitality products and services can be especially pronounced during periods of economic contraction or low levels of economic growth, and the recovery period in our industry may lag overall economic improvement. Declines in demand for our products and services due to general economic conditions could negatively affect our business by limiting the amount of fee revenues we are able to generate from our managed and franchised properties and decreasing the revenues and profitability of our owned and leased properties. In addition, many of the expenses associated with our services, including personnel costs, interest, rent, property taxes, insurance and utilities, are relatively fixed. During a period of overall economic weakness, if we are unable to meaningfully decrease these costs as demand for our services decreases, our business operations, financial performance, results and prospects for future growth may be adversely affected.

Risks Related to Operating Our Business

Because we operate in a highly competitive industry, our revenues or profits could be harmed if we are unable to compete effectively.

The segments of the hospitality industry in which we operate are subject to intense competition. Our principal competitors are other operators of luxury, full-service and focused-service hotels, including other major hospitality chains with well-established and recognized brands. We also compete against smaller hotel chains, independent and local hotel owners and operators, home and apartment sharing services and timeshare operators. If we are unable to compete successfully, our revenues or profits may decline.

Competition for hotel guests

We face competition for individual guests, group reservations and conference business at our hotels. We compete for these customers based primarily on brand name recognition and reputation, as well as location, rates for hotel rooms, food and beverage and other services, property size and availability of guest rooms and conference and meeting space, quality of the accommodations and technology provided, previous customer experience and satisfaction, amenities and the ability to earn and redeem loyalty program points. Our competitors may have greater commercial, financial and marketing resources and more efficient technology platforms, which could allow them to improve their properties and expand and improve their marketing efforts in ways that could affect our ability to compete for guests effectively, or they could offer a type of lodging product that customers find attractive but that we do not offer.

Competition for management and franchise contracts

We compete to enter into management and franchise contracts. Our ability to compete effectively is based primarily on the value and quality of our management services, brand name recognition and reputation, our access to and willingness to invest capital or provide other incentives or inducements, availability of suitable properties to maintain brand variety across geographic areas, the overall economic terms of our contracts and the economic advantages to the third-party hotel owner of retaining our management services and/or using our brands. If the properties that we manage or franchise perform less successfully than those of our competitors, if we are unable to offer terms as favorable as those offered by our competitors or if the availability of suitable properties is limited, we may not be able to compete effectively for new management or franchise contracts.

Any deterioration in the quality or reputation of our brands could have an adverse effect on our reputation, business, financial condition or results of operations.

Our brands are among our most important assets. Our ability to attract and retain guests depends, in part, on the public recognition of our brands and their associated reputation. In addition, the success of our hotel owners' businesses and the amount of payments to us for the assets and services we provide them may depend on the strength and reputation of our brands. If our brands become obsolete or consumers view them as unfashionable, unsustainable or lacking in consistency and quality, we may be unable to attract guests to our hotels and may further be unable to attract or retain our hotel owners to use our management and franchise services.

Changes in ownership or management practices, perceptions of our corporate responsibility practices, perception of guest or employee health or safety, the occurrence of accidents or injuries, cyber-attacks, security breaches, natural disasters, crime, failure of suppliers, franchisees or business partners to comply with relevant regulations and contractual requirements relating to a variety of issues including environmental, human rights and labor, individual guest, owner or employee notoriety or similar events at our hotels and resorts can harm our reputation, create adverse publicity and cause a loss of consumer confidence in our business. Because of the global nature of our brands and the broad expanse of our business and hotel locations, events occurring in one location could negatively affect the reputation and operations of otherwise successful individual locations. In addition, the expansion of social media has compounded the potential scope of negative publicity by increasing the speed and expanse of information dissemination. Many social media platforms publish content immediately and without filtering or verifying the accuracy of that content. A negative incident or the perception of occurrence of a negative incident at one hotel could have far-reaching effects, including lost sales, customer boycotts, loss of development opportunities and employee difficulties. Such incidents have in the past and could in the future subject us to legal actions, including litigation, governmental investigations or penalties, along with the resulting additional adverse publicity. A perceived decline in the quality of our brands or damage to our reputation could adversely affect our business, financial condition and results of operations.

Our business is subject to risks related to doing business with third-party property owners that could adversely affect our reputation, operational results or prospects for growth.

Unless we maintain good relationships with third-party hotel owners and renew or enter into new management and franchise contracts, we may be unable to maintain or expand our presence and our business, financial condition and results of operations may suffer.

Our business depends on our ability to: (i) establish and maintain long-term, positive relationships with third-party hotel owners; and (ii) enter into new, and renew, management and franchise contracts. Although our management and franchise contracts are typically long-term arrangements, hotel owners may be able to terminate the contracts under certain circumstances, including the failure to meet specified financial or performance criteria. Our ability to meet these financial and performance criteria is subject to, among other things, risks common to the overall hospitality industry, including factors outside of our control. In addition, negative pricing trends in the industry for management and franchise and related fees more broadly could adversely affect our ability to negotiate with hotel owners. If we fail to maintain and renew existing management and franchise contracts or enter into new contracts on favorable terms, we may be unable to expand our presence and our business, and our financial condition and results of operations may suffer.

Our business is subject to real estate investment risks for third-party hotel owners that could adversely affect our operational results and our prospects for growth.

Growth of our business is affected, and may potentially be limited, by factors influencing real estate development generally, including site availability, financing availability and cost, planning, zoning and other local approvals. In addition, market factors such as projected room occupancy, changes in growth in demand for customers compared to projected supply, geographic area restrictions in management and franchise contracts, costs and availability of construction labor and materials and anticipated room rate structure, if not managed effectively by our third-party hotel owners could adversely affect the growth of our management and franchise business.

If our third-party hotel owners are unable to repay or refinance loans secured by properties, or to obtain financing adequate to fund current operations or growth plans, our revenues, profits and capital resources could be reduced and our business could be harmed.

Many of our third-party hotel owners pledge their properties as collateral for loans entered into at the time of development, purchase or refinancing. If our third-party hotel owners are unable to repay or refinance maturing indebtedness on favorable terms or at all, which could be more difficult in the current interest rate environment, their lenders could declare a default, accelerate the related debt and repossess the property. We have been required and may, in the future, be required to make cash payments for any debt that we have guaranteed or letters of credit that we have extended. While we maintain certain contractual protections, repossession could result in the termination of our management or franchise contract or eliminate revenues and cash flows from the property. In addition, the owners of managed and franchised hotels depend on financing to develop or buy and improve hotels and, in some cases, fund operations during down cycles. Our hotel owners' inability to obtain adequate funding or to do so at interest rates that they are willing to accept could materially adversely affect the operation, maintenance and improvement plans of existing hotels, result in the delay or stoppage of the development of our existing development pipeline and limit additional development to further expand our hotel portfolio.

Hotel owners with financial difficulties have been and may continue to be unable or unwilling to pay us amounts that we are entitled to under our existing contracts on a timely basis or at all. Likewise, if we or our hotel owners or franchisees are unable to access capital to make physical improvements to our hotels, the quality of our hotels may suffer, which may negatively impact our reputation and guest loyalty, and our performance may suffer as a result.

If our third-party property owners fail to make investments necessary to maintain or improve their properties, guest preference for Hilton brands, Hilton's reputation and performance results could suffer.

Substantially all of our management and franchise contracts, as well as our license agreement with HGV, require third-party property owners to comply with quality and reputation standards of our brands, which include requirements related to the physical condition, use of technology, safety standards and appearance of the properties, as well as the service levels provided by hotel employees. These standards may evolve with customer preference, or we may introduce new requirements over time. If our property owners fail to make investments necessary to maintain or improve the properties and related operations in accordance with our standards, or based on customer demand more broadly, guest preference for our brands could diminish. In addition, if third-party property owners fail to observe standards or meet their contractual requirements, we may elect to

exercise our termination rights, which would eliminate revenues from these properties and cause us to incur expenses related to terminating these contracts. We may be unable to find suitable or offsetting replacements for any individually terminated hotels or broader third-party owner relationships.

Contractual and other disagreements with third-party property owners could make us liable to them or result in litigation costs or other expenses or termination of existing management or franchise contracts.

Our management and franchise contracts require us and our hotel owners to comply with operational and performance conditions that are subject to interpretation and could result in disagreements. Any dispute with a property owner could increase our costs even if the outcome is ultimately in our favor. We cannot predict the outcome of any arbitration or litigation, the effect of any negative judgment against us or the amount of any settlement that we may enter into with any third party. Furthermore, specific to our industry, some courts have applied principles of agency law and related fiduciary standards to managers of third-party hotel properties, which means that property owners may assert the right to terminate contracts even where the contracts do not expressly provide for termination. Our fees from any property permitted to be terminated would be eliminated, and accordingly, may negatively affect our results of operations.

Some of our existing development pipeline may not be developed into new hotels, which could materially adversely affect our growth prospects.

As of December 31, 2024, we had 3,578 hotels in our development pipeline under one of our brands or a strategic partner hotel brand, of which 225,100 rooms are under construction, which includes operating hotels that are in the process of conversion into our system. The commitments of owners and developers with whom we have contracts are subject to conditions, and the eventual development and construction of our development pipeline, in particular for hotels not currently under construction, is subject to risks, including, in certain cases, the owner's or developer's ability to obtain adequate financing and governmental or regulatory approvals. Unfavorable economic conditions also could affect our ability to enter into management and franchise contracts with potential third-party owners of our hotels, who may be unable to obtain financing or face other delays or cost pressures in developing hotel projects. As a result, at times new hotels have entered our pipeline at a slower rate than anticipated, some properties in our development pipeline have entered our system later than we anticipated and some hotels under development never enter our system at all, thereby negatively affecting our overall growth.

New hotel brands or non-hotel branded concepts that we launch in the future may not be as successful as we anticipate, which could have a material adverse effect on our business, financial condition or results of operations.

We have launched and acquired and may continue to launch and acquire new hotel products, brands and/or concepts or execute brand expansions into new markets, including international markets. These products may not be accepted by hotel owners, franchisees or customers and we cannot guarantee the level of acceptance any new or acquired brand will have in the development and consumer marketplaces. If new or acquired branded hotel products, non-hotel branded concepts or brand expansions are not as successful as we anticipate, we may not recover the costs we incurred in their development, acquisition or expansion, which could have a material adverse effect on our business, financial condition and results of operations.

The risks resulting from investments in owned and leased real estate could increase our costs, reduce our profits and limit our ability to respond to market conditions.

Our investments in owned and leased real property (including through joint ventures) subject us to various risks that may not be applicable to managed or franchised properties, including:

- governmental regulations relating to real estate ownership or operations, including tax, environmental, zoning and eminent domain laws;
- fluctuations or loss in value of real estate or potential impairments in the value of our assets due to changes in market conditions and expectations of future hotels revenues and costs of operations in the area in which real estate or assets are located;
- increased potential civil liability for accidents or other occurrences on owned or leased properties;
- the ongoing need for capital improvements and expenditures funded by us to maintain or upgrade properties, some of which were constructed many years ago, and contractual requirements to deliver properties back to landlords in a particular state of repair and condition at the end of a lease term;
- construction delays, lack of availability of required construction materials or cost overruns (including labor and materials) related to necessary capital improvements of owned and leased properties;
- periodic total or partial closures due to renovations and facility improvements;

- risks associated with any mortgage debt, including the possibility of default, interest rate levels, particularly in the current interest rate environment, and uncertainties in the availability of replacement financing;
- the inability to rebuild a property that has been damaged or destroyed by casualty, including a climate-related weather event, as a result of governmental regulations or other restrictions;
- the inability to renew our leases on favorable terms or at all;
- our limited ability to influence the decisions and operations of joint ventures in which we have a minority interest;
- force majeure events, including earthquakes, tornadoes, hurricanes, wildfires, floods, tsunamis, climate-related weather events, outbreaks of pandemic or contagious diseases or acts of terrorism;
- contingent liabilities that exist after we have exited a property;
- costs linked to the employment and management of staff to run and operate an owned or leased property;
- increased operating costs including energy, insurance, food and beverage, supplies and other operating costs; and
- the relative illiquidity of real estate compared to some other assets.

The negative effect on profitability and cash flow from declines in revenues is more pronounced in owned and leased properties because we, as the owner or lessee, bear the risk of the costs required to own and operate a hotel. Further, during times of economic distress, declining demand and declining earnings often result in declining asset values, and we or our joint ventures may not be able to sell properties or exit leasing arrangements on favorable terms or at all. Accordingly, we may not be able to adjust our owned and leased property portfolio promptly in response to changes in economic or other conditions.

Failure to keep pace with developments in technology could adversely affect our operations or competitive position.

The hospitality industry demands the use of sophisticated technology and systems for property management, brand assurance and compliance, procurement, finance, human resources, reservation systems, distribution of hotel resources to current and future customers and guest amenities and the operation of the Hilton Honors guest loyalty program. These technologies may require refinements and upgrades, and third parties may cease support of systems that are currently in use. The development and maintenance of these technologies has required and may further require significant investment by us. As various systems and technologies become outdated or new technology is required, we may not be able to replace or introduce them as quickly as needed or in a cost-effective and timely manner. In some cases, hotel owners may refuse to upgrade systems or deploy new technology to replace aging or end-of-life software and/or hardware. As a result, our business operations could be disrupted and our competitive position could decline, adversely affecting our financial performance, or we may not achieve the benefits we may have been anticipating from any new technology or system.

Failures in, material damage to or interruptions in our information technology systems, software or websites, including as a result of cyber-attacks on our systems or systems operated by third parties that provide operational and technical services to us, costs associated with protecting the integrity and security of personal data and other sensitive information and difficulties in updating our existing software or developing or implementing new software could have a material adverse effect on our business or results of operations.

We depend heavily upon our information technology systems in the conduct of our business. We develop, own and license or otherwise contract for sophisticated technology systems and services for property management, brand assurance and compliance, procurement, finance, human resources, reservation systems, distribution of hotel resources to current and future customers and guest amenities and the operation of the Hilton Honors guest loyalty program. Such systems are subject to, among other things, damage or interruption from power outages, computer and telecommunications failures, computer viruses, third-party criminal activity including "ransomware" or other malware and natural and man-made disasters. Although we have a cold disaster recovery site in a separate location and cloud backup processes to provide continuous resilience of our core reservation, property management, distribution and financial systems, certain of our data center operations are currently located in a single facility or with a single cloud-based provider. Although we continue to renovate and migrate portions of our operations to cloud-based providers while simultaneously building and operating new applications and services with those cloud-based providers, any loss or damage to our primary physical or cloud-based facilities could result in operational disruption and data loss as we transfer production operations to our disaster recovery site or cloud providers. Damage or interruption to our information systems may require a significant investment to update, remediate or replace with alternate systems, and we may suffer interruptions in our operations as a result. In addition, costs and potential problems or interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or support of existing systems could also disrupt or reduce the efficiency of our operations. Any material interruptions or failures in our systems, including those that may result from our failure to adequately develop, implement and maintain a robust disaster recovery plan and backup systems could severely affect our ability to conduct normal business operations and, as a result, have a material adverse effect on our business operations and financial performance.

We rely on third parties for the performance of a significant portion of our information technology functions worldwide. In particular, our loyalty platform, property management, reservation and distribution systems rely on data communications networks and systems operated by unaffiliated third parties and cloud providers. The success of our business depends in part on maintaining our relationships with these third parties and their continuing ability to perform these functions and services in a timely and satisfactory manner. If we experience a loss or disruption in the provision of any of these functions or services, or they are not performed in a satisfactory manner, we may have difficulty in finding alternate providers on terms favorable to us, in a timely manner or at all, and our business could be adversely affected.

We rely on certain vendors for traditional software and cloud/software-as-a-service operations to maintain and periodically upgrade many of these systems and applications so that they can continue to support our business. The software programs supporting many of our systems were licensed to us by independent software developers. The inability of these developers or us to continue to maintain and upgrade these information systems and software programs has impacted, and in the future could, disrupt or reduce, the efficiency of our operations if we were unable to convert to alternate systems in an efficient and timely manner. For example, in July 2024 a software update by CrowdStrike Holdings, Inc., a cybersecurity technology company, caused a global information technology outage. Although the outage did not have a material impact to our business, we were temporarily impacted by the outage, and similar software outages in the future could harm our operations and be material to us.

We are vulnerable to various risks and uncertainties associated with our websites and mobile applications, including changes in required technology interfaces, website and mobile application downtime and other technical failures, unexpected costs and changes and issues as we upgrade our website software and mobile applications. Additional risks include computer malware, changes in applicable federal, state and international regulations, security breaches, legal claims related to our website operations, e-commerce fulfillment and other consumer privacy concerns. Our failure to successfully respond to these risks and uncertainties could reduce website and mobile application sales and have a material adverse effect on our business or results of operations.

Cyber-attacks could have a disruptive effect on our business.

From time to time we and our third-party service providers experience cyber-attacks, attempted and actual breaches of our or their information technology systems and networks or similar events, which could result in a loss of sensitive business or customer information, systems interruption or the disruption of our operations. The techniques that are used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time, and despite our deployment of cyber-attack prevention and detection techniques, we are accordingly unable to anticipate and prevent all data security incidents. We have in the past been subject to cyber-attacks and expect that we will be subject to additional cyber-attacks in the future and may experience data breaches, especially as the pace, scale and sophistication of cyber-attacks continue to increase across all industry sectors, including hospitality.

Even if we are fully compliant with legal standards and contractual or other requirements, we still may not be able to prevent security breaches involving sensitive data. The sophistication of efforts by hackers to gain unauthorized access to information systems has continued to increase in recent years and may continue to do so at an accelerating pace as criminals leverage generative artificial intelligence-based technologies and services. Breaches, thefts, losses or fraudulent uses of customer, employee or company data could cause consumers to lose confidence in the security of our websites, mobile applications, point of sale systems and other information technology systems and, as a result of this loss in confidence, choose not to purchase from us. Such security breaches also could expose us to risks of data loss, business disruption, litigation, fines, regulatory charges and other costs or liabilities, any of which could adversely affect our business.

We are incorporating artificial intelligence technologies into our processes. These technologies may present business, compliance and reputational risks.

If we fail to keep pace with rapidly evolving technological developments in artificial intelligence, our competitive position and business results may suffer. The introduction of these technologies, particularly generative AI, into new or existing offerings may also result in new or expanded risks and liabilities, including due to enhanced governmental or regulatory scrutiny, litigation, copyright infringement, compliance issues, ethical concerns, security risks relating to private and/or confidential information, as well as other factors that could adversely affect our business, reputation, and financial results. In addition, it is possible that artificial intelligence and machine learning-technology could, unbeknownst to us, be improperly utilized by employees while carrying out their responsibilities. The use of artificial intelligence can lead to unintended consequences, including generating content that appears correct but is factually inaccurate, misleading or otherwise flawed, or that results in unintended biases and discriminatory outcomes, which could harm our reputation and business and expose us to risks related to inaccuracies or errors in the output of such technologies.

We are exposed to risks and costs associated with protecting the integrity and security of personal data and other sensitive information.

We are subject to various risks and costs associated with the collection, handling, storage and transmission of personally identifiable information and commercial information, including costs related to compliance with U.S. and foreign data collection and privacy laws and other contractual obligations, as well as risks associated with the compromise of our systems collecting such information. Many jurisdictions, including the European Union ("E.U."), the U.K., China and certain states within the U.S., have passed laws that require companies to meet specific requirements regarding the handling of personally identifiable information. We collect internal and customer data, including credit card numbers and other personally identifiable information for a variety of important business purposes, including managing our workforce, providing requested products and services and maintaining guest preferences to enhance customer service and for marketing and promotion purposes. In some cases, we share personal customer and payment data with select third party partners to enable fulfillment of customer reservations and other requested or related services and we are dependent on those third-party partners to protect the integrity and safety of that data from unauthorized exposure. We could be exposed to fines, penalties, restrictions, litigation, reputational harm or other expenses, or other adverse effects on our business, due to failure to protect personally identifiable information and commercial sensitive information or failure to maintain compliance with the various U.S. and foreign data collection and privacy laws or with credit card industry standards or other applicable data security standards.

In addition, U.S. states and the federal government have enacted additional laws and regulations to protect consumers against identity theft. These laws and similar laws in other jurisdictions have increased the costs of doing business, and failure on our part to implement appropriate safeguards or to detect and provide prompt notice of unauthorized access as required by some of these laws could subject us to potential claims for damages and other remedies. If we were required to pay any significant amounts in satisfaction of claims under these laws, or if we were forced to cease our business operations for any length of time as a result of our inability to comply fully with any such law, our business, operating results and financial condition could be adversely affected.

Because third parties provide us with a number of operational and technical services, third-party security incidents could expose us to liability, harm our reputation, damage our competitiveness and adversely affect our financial performance.

Third parties provide us with certain operational and technical services. These third parties may have access to our systems, provide hosting services, or otherwise process data about us or our guests, employees or partners. Any third-party security incident could compromise the integrity or availability of or result in the theft of confidential or otherwise sensitive data, which could negatively impact our operations. Unauthorized access to data and other confidential or proprietary information may be obtained through break-ins, network breaches by unauthorized parties, employee theft or misuse or other misconduct. We rely on the internal processes and controls of third-party software and application vendors to maintain the security of all software code, systems and data provided to or used by Hilton. Should those vendors fail to secure their products then we would be at risk of unintentionally injecting malware into our systems via compromised software code they provide and/or losing important data. The occurrence of any of the foregoing could negatively affect our reputation, our competitive position and our financial performance, and we could face lawsuits and potential liability.

Delays in service from third-party service providers could expose us to liability, harm our reputation, damage our competitiveness and adversely affect our financial performance.

From time to time, we may rely on a single or limited number of suppliers for the provision of various goods or services that we use in the operation of our business. The inability of such third parties to satisfy our requirements or our guests' expectations or provide such goods and services in a safe and secure manner could disrupt our business operations or make it more difficult for us to implement our business strategy. If any of these situations were to occur, our reputation could be harmed, we could be subject to third-party liability, including under data protection and privacy laws in certain jurisdictions, the physical safety of our properties could be impaired and our financial performance could be negatively affected.

We have expanded and may continue to seek to expand through acquisitions of and investments in other businesses and properties, or through alliances and strategic partner arrangements, and we may also seek to divest some of our properties and other assets. These acquisition and disposition activities may be unsuccessful or divert management's attention.

We may consider strategic and complementary acquisitions of and investments in other hotel or hospitality brands, businesses, properties or other assets. For example, in 2024 we acquired the Graduate hotel brand, invested in the NoMad hotel brand and partnered with Small Luxury Hotels of the World and AutoCamp. Acquisitions or investments in brands, businesses, properties or assets as well as third-party partnerships and alliances are subject to risks that could affect our business, including risks related to:

- using cash balances and incurring debt;
- issuing shares of stock that could dilute the interests of our existing stockholders;
- assuming contingent liabilities; or
- creating additional expenses.

We may not actually realize any anticipated benefits from such acquisitions, investments or third-party partnerships and alliances. We may also experience challenges from regulatory authorities in connection with our acquisitions, investments or partnerships, including from antitrust authorities who are increasingly scrutinizing such transactions, and which may lead to unforeseen expenditures or which may block, delay or impose undesirable conditions on our acquisitions, investments or partnerships. In addition, the success of any acquisition, investment or partnership also will depend, in part, on our ability to integrate the acquisition or investment with our existing operations. We also may divest certain properties or assets, and any such divestments may yield lower than expected returns or otherwise fail to achieve the benefits we expect. In some circumstances, sales of properties or other assets may result in losses. Upon sales of properties or assets, we may become subject to contractual indemnity obligations, incur material tax liabilities or, as a result of required debt repayment, face a shortage of liquidity. Finally, any acquisitions, investments, partnerships, dispositions or arrangements with strategic partners could demand significant attention from management that would otherwise be available for business operations, which could harm our business.

Failure to comply with marketing and advertising laws, including with regard to direct marketing, could result in fines or place restrictions on our business.

We rely on a variety of direct marketing techniques, including telemarketing, email and social media marketing and postal mailings, and we are subject to various laws and regulations in the U.S. and internationally that govern marketing and advertising practices. Any further restrictions in laws and court or agency interpretations of such laws, such as the Telephone Consumer Protection Act of 1991, the Telemarketing Sales Rule, the CAN-SPAM Act of 2003, various U.S. state laws, such as the California Privacy Rights Act, international data protection laws, such as the E.U. General Data Protection Regulation ("GDPR"), and laws limiting the cross-border transfer of data that govern these activities or new laws that become effective in the future could adversely affect current or planned marketing activities and cause us to change our marketing strategy. If this occurs, we may not be able to develop adequate alternative marketing strategies, which could affect our ability to maintain relationships with our customers and acquire new customers. We also obtain access to names of potential customers from travel service providers or other companies, and we market to some individuals on these lists directly or through other companies' marketing materials. If access to these lists were prohibited or otherwise restricted, our ability to develop new customers and introduce them to products could be impaired.

The growth of internet reservation channels could adversely affect our business and profitability.

A significant percentage of hotel rooms for individual guests are booked through internet travel intermediaries, to whom we commit to pay various commissions and transaction fees for sales of our rooms through their systems. Search engines and peer-to-peer inventory sources also provide online travel services that compete with our direct channels. If these bookings increase, these hospitality intermediaries may be able to obtain higher commissions or other significant concessions from us or our franchisees. These hospitality intermediaries also may reduce bookings at our hotel properties by de-ranking our hotels in search results on their platforms, and other online providers may divert business away from our hotels. Although our contracts with many hospitality intermediaries limit transaction fees for hotels, there can be no assurance that we will be able to renegotiate these contracts upon their expiration with terms as favorable as the provisions that existed before the expiration, replacement or renegotiation. Moreover, hospitality intermediaries generally employ aggressive marketing strategies, including expending significant resources for online and television advertising campaigns to drive consumers to their websites. As a result, consumers may develop brand loyalties to the intermediaries' brands due to their websites, reservations systems and loyalty programs rather than to the Hilton brands. If this happens, our business and profitability may be significantly affected

over time as shifting customer loyalties divert bookings away from our websites, which increases costs to hotels in our system. Internet travel intermediaries also have been subject to regulatory scrutiny, particularly in Europe. The outcome of this regulatory activity may affect our ability to compete for direct bookings through our own internet channels.

In addition, although internet travel intermediaries have traditionally competed to attract individual leisure consumers or transient business rather than group business for meetings and events, in recent years they have expanded their business to include marketing to group business and also to corporate transient business. If that growth continues, it could both divert group and corporate transient business away from our hotels and also increase our cost of sales for group and corporate transient business. Consolidation of internet travel intermediaries, or the entry of major internet companies into the internet travel bookings business, also could divert bookings away from our direct channels and increase our hotels' cost of sales.

Our reservation system is an important component of our business operations and a disruption to its functioning could have an adverse effect on our performance and results.

We manage a global reservation system that communicates reservations to our branded and strategic partner hotels when made by individuals directly, either online, by telephone to our call centers, through devices via our mobile application, or through intermediaries like travel agents, internet travel websites and other distribution channels. The cost, speed, efficacy and efficiency of the reservation system are important aspects of our business and are important considerations of hotel owners in choosing to affiliate with our brands. Any disruption to the continuity of our reservation system, including any failure to maintain or upgrade such system, may adversely affect our ability to serve customers effectively and support reservations at our hotels.

The cessation, reduction or taxation of program benefits of our Hilton Honors guest loyalty program could adversely affect the Hilton brands and guest loyalty.

We manage the Hilton Honors guest loyalty program for the benefit of all the brands that we operate and our strategic partners. Program members accumulate points primarily based on eligible stays and hotel charges and redeem the points for a range of benefits including free rooms and other items of value. The program is an important aspect of our business and of the affiliation value for hotel owners under management and franchise contracts as well as for our strategic partner arrangements. System hotels, including, without limitation, third-party hotels under management and franchise contracts and strategic partner hotels, contribute a percentage of the charges incurred by members of the loyalty program for each stay of a program member. In addition to the accumulation of points for future hotel stays at our brands and strategic partner hotels, Hilton Honors arranges with third parties, such as airlines, other transportation services, online vendors, retailers and credit card companies, to sell Hilton Honors points for the use of their customers and/or to allow Hilton Honors members to use or exchange points for products or services made available to loyalty program members by those third parties. Currently, the program benefits are not taxed as income to members. If the program awards and benefits are materially altered, curtailed or taxed such that a material number of Hilton Honors members choose to no longer participate in the program, our business could be adversely affected.

Because we derive a portion of our revenues from operations outside the U.S., the risks of doing business internationally could lower our revenues, increase our costs, reduce our profits or disrupt our business.

We currently manage, franchise, own or lease or have a strategic partnership arrangement with hotels and resorts in 140 countries and territories around the world. Our rooms outside the U.S. represented approximately 35 percent, 33 percent and 31 percent of our system-wide hotel rooms for the years ended December 31, 2024, 2023 and 2022, respectively. We expect that our international operations will continue to account for a material portion of our results. As a result, we are subject to the risks of doing business outside the U.S., including:

- rapid changes in governmental, economic or political policy, wars, political or civil unrest, acts of terrorism or the threat of international boycotts or U.S. anti-boycott legislation;
- increases in anti-American sentiment and the identification of our licensed brands as an American brand;
- recessionary trends or economic instability in international markets;
- changes in foreign currency exchange rates or currency restructurings and hyperinflation or deflation in the countries and territories in which we operate;
- the effect of disruptions, including the temporary closure of hotel properties, caused by severe weather or climate-related events, natural disasters (including as a result of climate change), outbreak of disease, 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 and the effect of various anti-corruption and other laws;

- the imposition of restrictions on currency conversion or the transfer of funds or limitations on our ability to repatriate non-U.S. earnings in a tax-efficient manner;
- the ability to comply with or the effect of complying with complex and changing laws, sanctions, regulations and policies of foreign governments that may affect investments or operations, including foreign ownership restrictions, import and export controls, tariffs, embargoes, increases in taxes paid and other changes in applicable tax laws;
- the ability to comply with or the effect of complying with developing laws, regulations and policies of foreign governments with respect to human rights, including in the supply chain;
- instability or changes in a country's or region's economic, regulatory or political conditions, including inflation, recession, interest rates and actual or anticipated military or political conflicts or any other change;
- uncertainties as to local laws regarding, and enforcement of, contract and IP rights;
- forced nationalization of our properties by local, state or national governments; and
- the difficulties involved in managing an organization doing business in many different countries and territories.

These factors may adversely affect the revenues earned from our hotels and resorts (as well as the market value of properties that we own or lease) located in international markets. While these factors and the effect of these factors are difficult to predict, any one or more of them could lower our revenues, increase our costs, reduce our profits or disrupt our business operations.

Failure to comply with laws and regulations applicable to our international operations may increase costs, reduce profits, limit growth or subject us to broader liability.

Our business operations in countries and territories outside the U.S. are subject to a number of laws and regulations, including restrictions imposed by the Foreign Corrupt Practices Act ("FCPA"), as well as trade sanctions administered by the Office of Foreign Assets Control ("OFAC"). Although we have policies in place designed to comply with applicable sanctions, rules and regulations, it is possible that hotels we manage, own or lease in the countries and territories in which we operate may provide services to or receive funds from persons subject to sanctions. Where we have identified potential violations in the past, we have taken appropriate remedial action including filing voluntary disclosures to OFAC. In addition, some of our operations may be subject to the laws and regulations of non-U.S. jurisdictions, including the U.K.’s Bribery Act 2010, which contains significant prohibitions on bribery and other corrupt business activities, and other local anti-corruption laws in the countries and territories in which we conduct operations.

If we fail to comply with these laws and regulations, we could be exposed to claims for damages, financial penalties, reputational harm and incarceration of employees or restrictions on our operation or ownership of hotels and other properties, including the termination of management, franchising and ownership rights. In addition, in certain circumstances, the actions of parties affiliated with us (including our owners, joint venture partners, employees and agents) may expose us to liability under the FCPA, U.S. sanctions or other laws. These restrictions could increase costs of operations, reduce profits or cause us to forgo development opportunities that would otherwise support growth.

In addition, we are subject to a number of modern slavery, human trafficking and forced labor reporting, training and mandatory due diligence laws in various jurisdictions and expect additional statutory regimes to combat these crimes to be enacted in the future. The impact of these laws, such as the U.K.'s Modern Slavery Act 2015 and the German Supply Chain Due Diligence Act, and similar legislation on hotel operations could increase costs of operations and reduce our profits.

Collective bargaining activity could disrupt our operations, increase our labor costs or interfere with the ability of our management to focus on executing our business strategies.

A significant number of our employees and employees of our hotel owners are covered by collective bargaining agreements and similar agreements, including approximately 25 percent of people employed or managed by us globally and approximately 40 percent of people working in the U.S. as of December 31, 2024. If relationships with our employees or employees of our hotel owners or the unions that represent them become adverse, the properties we manage, franchise, own or lease have in the past and could in the future experience labor disruptions such as strikes, lockouts, boycotts and public demonstrations. A number of our collective bargaining agreements are in the process of being renegotiated, and, if more employees become unionized, we may be required to negotiate additional collective bargaining agreements in the future. Labor disputes, which may be more likely when collective bargaining agreements are being negotiated, could harm our relationship with our employees or employees of our hotel owners, result in increased regulatory inquiries and enforcement by governmental authorities and deter guests. Further, adverse publicity related to a labor dispute could harm our reputation and reduce customer demand for our services. During 2024, certain of our managed hotels in the U.S. experienced labor disruptions while these agreements were being negotiated that negatively affected operations at those hotels. Labor regulation and the

negotiation of new or existing collective bargaining agreements could lead to higher wage and benefit costs, changes in work rules that raise operating expenses, legal costs and limitations on our ability or the ability of our third-party property owners to take cost saving measures during economic downturns. We do not have the ability to influence the negotiations of collective bargaining agreements covering unionized labor employed by third-party property owners or third-party operators. Increased unionization of our workforce, new labor legislation or changes in regulations could disrupt our operations and our ability to promote services expected by customers, reduce our profitability or interfere with the ability of our management to focus on executing our business strategies.

The loss of key senior management personnel or labor shortages could restrict our ability to grow our business or operate our properties or result in increased labor costs that could adversely affect our results of operations.

Our success depends in large part on our ability to attract, retain, train, manage and engage employees. As of December 31, 2024, we employed or managed approximately 181,000 individuals at our owned, leased and managed hotels and corporate offices around the world. If we are unable to attract, retain, train, manage and engage skilled individuals, our ability to staff and operate the hotels that we manage, own and lease could be diminished, which could reduce customer satisfaction, and our ability to manage our corporate business could be adversely affected. In addition, the inability of our franchisees to attract, retain, train, manage and engage skilled employees for the franchised hotels could adversely affect the reputation of our brands. Staffing shortages in various parts of the world also could hinder our ability to grow and expand our businesses. Because payroll costs are a major component of the operating expenses at our owned, leased and managed hotels, as well as our franchised hotels, a shortage of skilled labor could also require higher wages that would increase labor costs, which could adversely affect our results of operations and the results of hotels that we manage on behalf of third-party owners. Additionally, an increase in minimum wage rates could increase costs and reduce profits for us and our franchisees, which could, in turn, lower demand from third-party owners to add hotels to our system. We also face challenges with respect to retaining corporate employees. If we lost the services of one or more senior executives, this could adversely affect strategic relationships, including relationships with third-party hotel owners, significant customers, joint venture partners and vendors, and limit our ability to execute our business strategies.

Any failure to protect our trademarks and other IP could reduce the value of the Hilton brands and harm our business.

The recognition and reputation of our brands are important to our success. We have a significant number of trademark registrations in jurisdictions around the world for use in connection with our services, plus at any given time, a number of pending applications for trademarks and other IP. However, those trademark or other IP registrations may not be granted or the steps we take to use, control or protect our trademarks or other IP in the U.S. and other jurisdictions may not always be adequate to prevent third parties from copying or using the trademarks or other IP without authorization. We may also fail to obtain and maintain trademark protection for all of our brands in all jurisdictions. For example, in certain jurisdictions, third parties have registered or otherwise have the right to use certain trademarks that are the same as or similar to our trademarks, which could prevent us from registering trademarks and opening hotels in those jurisdictions. Third parties may also challenge our rights to certain trademarks or oppose our trademark applications. Defending against any such proceedings may be costly, and if unsuccessful, could result in the loss of important IP rights. Obtaining and maintaining trademark protection for multiple brands in multiple jurisdictions is also expensive, and we may therefore elect not to apply for or to maintain certain trademarks.

Our IP is also vulnerable to unauthorized copying or use where local law, or lax enforcement of law, may not provide adequate protection. If our trademarks or other IP are improperly used, the value and reputation of the Hilton brands could be harmed. There are times where we may need to resort to litigation to enforce our IP rights. Litigation of this type could be unsuccessful, costly, force us to divert our resources, lead to counterclaims or other claims against us or otherwise harm our business or reputation. In addition, we license certain of our trademarks to third parties. For example, we have granted HGV the right to use certain of our IP in its timeshare business and we grant our franchisees a right to use certain of our IP in connection with their operation of the licensed hotel property. If HGV, a franchisee or other licensee fails to maintain the quality of the goods and services used in connection with the licensed trademarks, our rights to, and the value of, our trademarks could be harmed. Failure to maintain, control and protect our trademarks and other IP could likely adversely affect our ability to attract guests or third-party owners, and could adversely affect our results.

In addition, we license the right to use certain IP from unaffiliated third parties, including the right to grant sublicenses to franchisees. If we are unable to use this IP, our ability to generate revenue from such properties may be diminished.

Third-party claims that we infringe IP rights of others could subject us to damages and other costs and expenses.

Third parties may make claims against us for infringing their patent, trademark, copyright or other IP rights or for misappropriating their trade secrets. We have been and are currently party to a number of such claims and may receive additional claims in the future. Any such claims, even those without merit, could:

- be expensive and time consuming to defend, and result in significant damages;
- force us to stop using the IP that is being challenged or to stop providing products or services that use the challenged IP;
- force us to redesign or rebrand our products or services;
- require us to enter into royalty, licensing, co-existence agreements or other contracts to obtain the right to use a third party's IP;
- limit our ability to develop new IP; and
- limit the use or the scope of our IP or other rights.

In addition, we may be required to indemnify third-party owners of the hotels that we manage for any losses they incur as a result of any infringement claims against them. All necessary royalty, licensing or other contracts may not be available to us on acceptable terms. Any adverse results associated with third-party IP claims could negatively affect our business.

Exchange rate fluctuations and foreign exchange hedging arrangements could result in significant foreign currency gains and losses that affect our business results.

Conducting business in currencies other than the U.S. dollar ("USD") subjects us to fluctuations in foreign currency exchange rates that could have a negative effect on our financial results. We earn revenues and incur expenses in foreign currencies as part of our operations outside of the U.S. As a result, fluctuations in foreign currency exchange rates may significantly increase the amount of USD required for foreign currency denominated expenses or significantly decrease the USD received from foreign currency denominated revenues. We also have exposure to currency translation risk for the results of our business outside of the U.S. that are reported in local currencies and then translated to USD for inclusion in our consolidated financial statements. As a result, changes between the foreign currency exchange rates and the USD will affect the recorded amounts of our foreign assets, liabilities, revenues and expenses and could have a negative effect on our financial results. Our exposure to foreign currency exchange rate fluctuations will grow if the relative contribution of our operations outside the U.S. increases.

To mitigate foreign currency exposure, we enter into foreign exchange derivatives with financial institutions. However, these derivatives may not eliminate foreign currency exchange rate risk entirely and involve costs and risks of their own in the form of transaction costs, credit requirements, interest rate differentials and counterparty risk.

If the insurance that we or our property owners carry does not sufficiently cover damage or other potential losses or liabilities to third parties involving properties that we manage, franchise, own or lease, our profits could be reduced.

We operate in certain areas where the risk of natural or climate-related disaster or other catastrophic losses exists, and the occasional incidence of such an event could cause substantial damage to us, our property owners or the surrounding area. We carry, and/or we require our property owners to carry, insurance from solvent insurance carriers that we believe is adequate for foreseeable first-party and third-party losses and with terms and conditions that are reasonable and customary. Nevertheless, market forces beyond our control, such as the natural, climate-related and man-made disasters, geopolitical events that occurred in recent years or are occurring, social claims, inflation and cyber or data security incidents could limit the scope of the insurance coverage that we and our property owners can obtain or may otherwise restrict our or our property owners' ability to buy insurance coverage at reasonable rates. We anticipate increased costs of property, general liability and excess liability insurance across the portfolio in 2025 due to the significant losses that insurers suffered globally in recent years. In the event of a substantial loss, the insurance coverage that we and/or our property owners carry may not be sufficient to pay the full value of our financial obligations, our liabilities or the replacement cost of any lost investment or property. Additionally, certain types of losses may be uninsurable or prohibitively expensive to insure. In addition, other types of losses or risks that we may face could fall outside of the general coverage terms and limits of our policies.

While Hilton procures a standalone terrorism property damage policy that covers owned and leased hotels and other hotels that choose to participate, the U.S. Terrorism Risk Insurance Program (the "Program") also provides insurance capacity for terrorist acts and is currently authorized through December 31, 2027. If the Program is not extended or renewed upon its expiration in 2027, or if there are changes to the Program that would negatively affect insurance carriers, premiums for

terrorism insurance coverage will likely increase and/or the terms of such insurance may be materially amended to increase stated exclusions or to otherwise effectively decrease the scope of coverage available, perhaps to the point where it is effectively unavailable.

In some cases, these factors could result in certain losses being partially or completely uninsured. As a result, we or the owners of properties that we manage or franchise could lose some or all of the capital we or they have invested in a property, as well as the anticipated future revenues, profits, management fees or franchise fees from the property.

Climate change could adversely affect our business.

As one of the world's largest global hospitality companies, with hotels and resorts in 140 countries and territories, we are subject to the physical effects of climate change, including sea level rise, droughts and intensified storms and other weather events. Damage to our hotels resulting from the physical effects of climate change could lower demand for travel to certain locales and affect the performance of certain of our hotels, which could in turn have a negative impact on our results of operations.

Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to sustainability matters, that could increase costs or expose us to reputational and other risks.

We are subject to the evolving rules and regulations with respect to sustainability matters of a number of governmental and self-regulatory bodies and organizations, including the SEC, the New York Stock Exchange ("NYSE"), the Financial Accounting Standards Board, the state of California, and the European Union, that could make compliance more difficult and uncertain. In addition, regulators, guests, investors, employees and other stakeholders are increasingly focused on sustainability matters and related disclosures. These changing rules, regulations and stakeholder expectations have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention to comply with or meet those regulations and expectations. Developing and acting on sustainability initiatives and collecting, measuring and reporting sustainability related information and metrics can be costly, difficult and time consuming. Further, sustainability related information is subject to evolving reporting standards that continue to be introduced in various states and jurisdictions, such as the European Union's Corporate Sustainability Reporting Directive, and complying with evolving global sustainability reporting regulations may be costly and complex. Our sustainability initiatives and goals could be difficult and expensive to implement, and we could be criticized for the accuracy, adequacy or completeness of our sustainability disclosures. Further, statements about our sustainability related initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. In addition, we could be criticized for the scope or nature of such initiatives or goals, or for revisions to these goals and, our competitors may have sustainability initiatives or programs that resonate more with guests and property owners than our initiatives do, which may cause reduced consumer demand at our hotel properties in favor of other brands. If our sustainability data, processes and reporting are incomplete or inaccurate, or if we fail to achieve progress with respect to our sustainability goals on a timely basis, or at all, our reputation and financial results could be adversely affected.

Legal and Regulatory Risks

Governmental regulation may adversely affect the operation of our properties.

In many jurisdictions, the hospitality industry is subject to extensive foreign or U.S. federal, state and local governmental regulations, including those relating to the service of alcoholic beverages, the preparation and sale of food, building and zoning requirements, and data protection, cybersecurity and privacy. We and our third-party owners are also subject to licensing and regulation by foreign or U.S. state and local departments relating to health, sanitation, fire and safety standards, and to laws governing our relationships with employees, including minimum wage requirements, overtime, working conditions and citizenship requirements. These requirements are complex and subject to frequent revision, with changes at the U.S. federal level often accompanying new U.S. presidential administrations. We or our third-party owners may be required to expend funds to meet foreign or U.S. federal, state and local regulations in connection with the construction, continued operation or remodeling of certain of our properties. The failure to meet the requirements of applicable regulations and licensing requirements, or publicity resulting from actual or alleged failures, could have an adverse effect on our results of operations. For instance, in 2010, we entered into a settlement with the U.S. Department of Justice related to compliance with the Americans with Disabilities Act ("ADA"). Although the bulk of our obligations under this settlement expired in 2015, certain managed and franchised hotels remain under an obligation to remove architectural barriers at their facilities. We have an obligation to have an independent consultant to monitor those barrier removal efforts. If we fail to comply with any of the requirements of the ADA, we could be subject to fines, penalties, injunctive action, reputational harm, guest, advocacy group or

employee lawsuits, and other business effects that could materially and negatively affect our performance and results of operations.

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 or provincial and local levels in the U.S. and various other countries and jurisdictions. Our future effective tax rate 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, or changes in determinations regarding the jurisdictions in which we are subject to tax. From time to time, the 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. In particular, our consolidated U.S. federal income tax returns for the fiscal years ended December 31, 2011 through December 31, 2020 are actively under audit by the Internal Revenue Service ("IRS"). We have had a dispute regarding the federal taxation of the Hilton Honors guest loyalty program, which has been effectively settled through the tax year ended December 31, 2018. However, the Hilton Honors guest loyalty program is still subject to audit for subsequent years, which may result in material increases to our income tax liability. 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.

Foreign or U.S. environmental laws and regulations may cause us to incur substantial costs or subject us to potential liabilities.

We are subject to certain compliance costs and potential liabilities under various foreign and U.S. federal, state and local environmental, health and safety laws and regulations. These laws and regulations govern actions including air emissions, the use, storage and disposal of hazardous and toxic substances and wastewater disposal. Our failure to comply with such laws, including obtaining and maintaining any required permits or licenses, could result in substantial fines, penalties, litigation or possible revocation of our authority to conduct some of our operations. We could also be liable under such laws for the costs of investigation, removal or remediation of hazardous or toxic substances at our currently or formerly owned, leased or operated real property (including managed and franchised properties) or at third-party locations in connection with our waste disposal operations, regardless of whether or not we knew of, or caused, the presence or release of such substances. From time to time, we may be required to remediate such substances or remove, abate or manage asbestos, mold, radon gas, lead or other hazardous conditions at our properties. The presence or release of such toxic or hazardous substances could result in third-party claims for personal injury, property or natural resource damages, business interruption or other losses. Such claims and the need to investigate, remediate or otherwise address hazardous, toxic or unsafe conditions could adversely affect our operations, the value of any affected real property, or our ability to sell, lease or assign our rights in any such property, or could otherwise harm our business or reputation. Environmental, health and safety requirements have also become increasingly stringent, and our costs to comply with such requirements may increase as a result. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those intended to lessen the impact of climate change, could affect the operation of our properties or result in significant additional expense and operating restrictions on us.

Risks Related to Our Indebtedness

Our substantial indebtedness and other contractual obligations could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry and our ability to pay our debts, and could require us to divert our cash flows from operations to make required debt or interest payments.

We have a significant amount of indebtedness. As of December 31, 2024, our total indebtedness, excluding the deduction for unamortized deferred financing costs and discounts, was approximately $11.2 billion, and our contractual debt maturities of our long-term debt for the years ending December 31, 2025, 2026 and 2027 are $535 million, $31 million and $616 million, respectively. Our substantial debt and other contractual obligations could have important consequences, including:

- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures or dividends to stockholders and to pursue future business opportunities;

- increasing our vulnerability to adverse economic, industry or competitive developments;
- exposing us to increased interest expense, as our degree of leverage may cause the interest rates of any future indebtedness (whether fixed or floating rate interest) to be higher than they would be otherwise;
- exposing us to the risk of increased interest rates because certain of our indebtedness is at variable rates of interest;
- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants, could result in an event of default that accelerates our obligation to repay indebtedness;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, satisfaction of debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who may be better positioned to take advantage of opportunities that our leverage prevents us from exploiting.

Hilton Worldwide Holdings Inc. is a holding company, and substantially all of its consolidated assets are owned by, and most of its business is conducted through, its subsidiaries. Revenues from these subsidiaries are our primary source of funds for debt payments and operating expenses. If our subsidiaries are restricted from making distributions to us, that may impair our ability to meet our debt service obligations or otherwise fund our operations. Moreover, there may be restrictions on payments by subsidiaries to their parent companies under applicable laws, including laws that require companies to maintain minimum amounts of capital and to make payments to stockholders only from profits. As a result, although a subsidiary of ours may have cash, we may not be able to obtain that cash to satisfy our obligation to service our outstanding debt or fund our operations.

Servicing our indebtedness will require a significant amount of cash. Our ability to generate sufficient cash depends on many factors, some of which are not within our control.

Our ability to make payments on our indebtedness, to fund planned capital expenditures, to pay future dividends, if any, to our stockholders and repurchase our common stock will depend on our ability to generate cash in the future. To a certain extent, this is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we are unable to generate sufficient cash flow to service our debt and meet our other commitments, we may need to restructure or refinance all or a portion of our debt, sell material assets or operations or raise additional debt or equity capital. We may not be able to effect any of these actions on a timely basis, on commercially reasonable terms or at all, and these actions may not be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt arrangements may restrict us from effecting any of these alternatives.

Certain of our debt agreements impose operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities.

The indentures that govern our senior notes and the credit agreement that governs our senior secured credit facilities impose operating and financial restrictions on us. The restrictions under certain of these agreements limit our ability and/or the ability of our subsidiaries to, among other things:

- incur or guarantee additional debt or issue disqualified stock or preferred stock;
- make certain investments;
- pay dividends, including our subsidiaries paying dividends to us, and make other distributions on, or redeem or repurchase, capital stock;
- incur certain liens;
- enter into transactions with affiliates;
- merge or consolidate;
- enter into agreements that restrict the ability of restricted subsidiaries to make dividends or other payments to us;
- designate restricted subsidiaries as unrestricted subsidiaries;
- transfer or sell assets; and
- enter into sale and lease-back transactions.

In addition, the credit agreement requires us to maintain a consolidated secured net leverage ratio not to exceed 5.0 to 1.0 as of the last day of any period of four consecutive quarters.

As a result of these restrictions, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future

indebtedness we may incur could include more restrictive covenants. We may not be able to maintain compliance with these covenants in the future and, if we fail to do so, we may not be able to obtain waivers from the lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above, as well as other terms of our other indebtedness and/or the terms of any future indebtedness from time to time, could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or are unable to refinance these borrowings, our results of operations and financial condition could be adversely affected.

Despite our current level of indebtedness, we may be able to incur substantially more debt and enter into other transactions, which could further exacerbate the risks to our financial condition described above.

We may be able to incur significant additional indebtedness, including secured debt, in the future. Although the credit agreements and indentures that govern the majority of our indebtedness contain restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions. Additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined under our debt instruments. To the extent new debt is added to our current debt levels, the substantial leverage risks described in the preceding three risk factors would increase.

Risks Related to Ownership of Our Common Stock

Although we currently pay a quarterly cash dividend to holders of our common stock, we may change our dividend policy at any time.

Our dividend policy may change at any time without notice to our stockholders. For example, we suspended payment of our quarterly cash dividend to holders of our common stock beginning in 2020 as a result of the COVID-19 pandemic and did not resume quarterly dividend payments until June 2022. The declaration and payment of any future dividends is at the discretion of our board of directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, limitations imposed by our indebtedness, legal requirements and other factors that our board of directors deems relevant. If we were to cease dividend payments, you may not receive any return on an investment in our common stock unless you sell your common stock for a price greater than that which you paid for it.

Anti-takeover provisions in our organizational documents and Delaware law might discourage or delay acquisition attempts for us that stockholders might consider favorable.

Our amended and restated certificate of incorporation and amended and restated by-laws contain provisions that may make the merger or acquisition of our company more difficult without the approval of our board of directors. Among other things:

- although we do not have a stockholder rights plan, and would either submit any such plan to stockholders for ratification or cause such plan to expire within a year, these provisions would allow us to authorize the issuance of undesignated preferred stock in connection with a stockholder rights plan or otherwise, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend or other rights or preferences superior to the rights of the holders of common stock;
- these provisions prohibit stockholder action by written consent unless such action is recommended by all directors then in office;
- these provisions provide that our board of directors is expressly authorized to make, alter or repeal our by-laws and that our stockholders may only amend our by-laws with the approval of 80 percent or more of all the outstanding shares of our capital stock entitled to vote; and
- these provisions establish advance notice requirements for nominations for elections to our board or for proposing matters that can be acted upon by stockholders at stockholder meetings.

Further, as a Delaware corporation, we are subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also discourage

proxy contests and make it more difficult for our stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Governance

Hilton has a dedicated Global Information Security team (collectively, the "GIS team") led by our Chief Information Security Officer ("CISO") that is responsible for identifying, assessing, monitoring, managing and communicating the Company's cybersecurity risks. The GIS team is organized into five functional areas: (i) cloud, network and infrastructure architecture security; (ii) application security; (iii) incident response; (iv) endpoint security and vulnerability management; and (v) governance, risk and compliance ("GRC"). Collectively, the GIS team has decades of dedicated cybersecurity experience with personnel certified in various disciplines, including data privacy, enterprise risk management, cloud security and ethical hacking.

While the full board of directors has overall responsibility for risk oversight, for cyber security matters, it is supported by its Audit Committee, which regularly reports to the full board of directors. The Audit Committee assists the board of directors in monitoring cybersecurity risk by receiving quarterly reports and as needed updates from the Chief Information Officer and the CISO, that cover, among other things, our information security framework, threat assessment, response readiness and training efforts.

Hilton has adopted a Cybersecurity Policy that requires all employees to immediately report a potential cybersecurity incident to the GIS team, and all employees are required to certify their understanding of the Cybersecurity Policy on an annual basis. Our Global Cybersecurity Incident Response Plan ("CIRP") includes the criteria for determining if a cybersecurity incident is considered a qualifying cybersecurity incident ("QCI"), which requires management escalation and review, identifies the first response team and the leadership team responsible for supervising the response and provides guidelines for when and how to communicate such incident to the appropriate members of management and the Audit Committee.

Cybersecurity Strategy and Risk Management

The GIS team leverages several mechanisms to continuously identify and assess cybersecurity risks across the Company and utilizes a GRC platform to monitor identified risks and mitigation and remediation activities. The GIS team uses defined industry accepted risk management and controls frameworks to determine the potential likelihood and impact of each risk. Monitoring activities are designed and executed based on the materiality of the assessed likelihood and magnitude of impact of the risks that are identified. The GIS team, with the assistance of third-party consultants, performs application security reviews, penetration tests and gap assessments against certain cybersecurity frameworks. Management reviews any assessments performed by the third-party consultants and determines the final evaluations and communication plan, which the GIS team executes.

In the event of a reported potential cybersecurity incident, a first response team, which includes leaders of the GIS team, other members of management and the legal team, determines without undue delay whether it is a QCI as defined in the CIRP. If an incident is determined to be a QCI, the process included in the CIRP is initiated and such incident is communicated to the designated leadership team, including Hilton's general counsel. Further, appointed leaders collaborate on determining if the incident is material, as well as the resulting response, including any legal and financial reporting obligations of the Company. Information also is provided to additional members of senior management as appropriate. The remediation plan for the QCI is entered within Hilton's GRC platform and monitored and reviewed at least monthly to ensure effective implementation; depending upon the type of incident, additional reporting may be produced and monitored by the GIS team to ensure the effectiveness of the remediation plan. All cybersecurity incidents are tracked within our incident response platform, regardless of the potential materiality of the impact.

We also have a process in place to manage cybersecurity risks associated with third-party service providers. However, we rely on the third parties we use to implement security programs commensurate with their risk, and we cannot ensure in all circumstances that their efforts will be successful.

As of the date of this report, we are not aware of any cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations or financial condition. However, as discussed under "Part I—Item 1A. Risk Factors," specifically the risks titled "Failures in, material damage to or interruptions in our information technology systems, software or websites, including as a result of cyber-attacks on our systems or systems operated by third parties that provide operational and technical services to us, costs associated with protecting the integrity and security of personal data and other sensitive information and difficulties in updating our existing software or developing or implementing new software could have a material adverse effect on our business or results of operations" and "Cyber-attacks could have a disruptive effect on our business," the sophistication of cyber threats continues to increase, and the preventative actions we take to reduce the risk of cyber incidents and protect our systems and information may be insufficient. Accordingly, no matter how well designed or implemented our controls are, we will not be able to anticipate all security breaches, and we may not be able to implement effective preventive measures against such security breaches in a timely manner.

Item 2. Properties

Hotel Properties

Joint Venture Hotels

As of December 31, 2024, we had a minority or noncontrolling financial interest in the entities that own or lease the following 5 properties, representing 2,245 rooms, and we manage each of the hotels for these entities. We have a right of first refusal to purchase additional equity interests in certain of these joint ventures.

Property	Location	Ownership Percentage	Rooms
Conrad Hotels & Resorts			
Conrad Cairo	Cairo, Egypt	10%	615
Hilton Hotels & Resorts			
Hilton Tokyo Bay	Urayasu-shi, Japan	24%	828
Hilton Nagoya	Nagoya, Japan	24%	460
Hilton Mauritius Resort & Spa	Flic-en-Flac, Mauritius	20%	193
Hilton Imperial Dubrovnik	Dubrovnik, Croatia	18%	149

Leased Hotels

As of December 31, 2024, we leased the following 45 hotels, representing 14,893 rooms.

Property	Location	Rooms
Waldorf Astoria Hotels & Resorts		
Rome Cavalieri, Waldorf Astoria Hotels & Resorts	Rome, Italy	370
Waldorf Astoria Amsterdam	Amsterdam, Netherlands	93
Conrad Hotels & Resorts		
Conrad Osaka	Osaka, Japan	164
Hilton Hotels & Resorts		
Hilton Tokyo[(1)]	(Shinjuku-ku) Tokyo, Japan	830
Ramses Hilton	Cairo, Egypt	811
Hilton Vienna	Vienna, Austria	663
Hilton London Kensington	London, United Kingdom	601
Hilton Osaka[(1)]	Osaka, Japan	562
Hilton Tel Aviv	Tel Aviv, Israel	560
Hilton Munich Park	Munich, Germany	484
Hilton Munich City	Munich, Germany	483
Hilton Istanbul Bosphorus	Istanbul, Turkiye	475
London Hilton on Park Lane	London, United Kingdom	453
Hilton Diagonal Mar Barcelona	Barcelona, Spain	433
Hilton Mainz	Mainz, Germany	431
Hilton Trinidad & Conference Centre	Port of Spain, Trinidad	405
Hilton London Heathrow Airport	London, United Kingdom	398
Hilton Addis Ababa	Addis Ababa, Ethiopia	372
Hilton Vienna Danube Waterfront	Vienna, Austria	368
Hilton Frankfurt City Centre	Frankfurt, Germany	342
Hilton Glasgow	Glasgow, United Kingdom	322
Hilton Milan	Milan, Italy	320
Hilton Brisbane	Brisbane, Australia	319
The Waldorf Hilton, London	London, United Kingdom	298
Hilton Cologne	Cologne, Germany	296

(continued on next page)

Property	Location	Rooms
Hilton Stockholm Slussen	Stockholm, Sweden	289
Hilton Madrid Airport	Madrid, Spain	284
Hilton London Canary Wharf	London, United Kingdom	282
Hilton Amsterdam	Amsterdam, Netherlands	271
Hilton Newcastle Gateshead	Newcastle Upon Tyne, United Kingdom	254
Hilton Vienna Plaza	Vienna, Austria	254
Hilton London Tower Bridge	London, United Kingdom	248
Hilton Antwerp Old Town	Antwerp, Belgium	210
Hilton Reading	Reading, United Kingdom	210
Hilton Leeds City	Leeds, United Kingdom	208
Hilton Watford	Watford, United Kingdom	200
Hilton Nottingham	Nottingham, United Kingdom	176
Hilton London Croydon	Croydon, United Kingdom	168
Hilton Cobham	Cobham, United Kingdom	158
Hilton Paris La Défense	Paris, France	153
Hilton East Midlands Airport	Derby, United Kingdom	152
Hilton Northampton	Northampton, United Kingdom	144
Hilton London Hyde Park	London, United Kingdom	136
Hilton York	York, United Kingdom	131
Hilton Puckrup Hall, Tewkesbury	Tewkesbury, United Kingdom	112

(1) We own a controlling financial interest, but less than a 100 percent interest, in the entity that leases the property.

Corporate Headquarters and Regional Offices

Our corporate headquarters is located at 7930 Jones Branch Drive, McLean, Virginia 22102, which is under a lease agreement that expires in April 2037. We also own or lease corporate offices or centralized operations centers in Memphis, Tennessee; Glasgow, Scotland (Europe); Watford, England (Europe); Dubai, United Arab Emirates (Middle East and Africa); Singapore (Asia Pacific); Tokyo, Japan; Shanghai, China; and Mexico City, Mexico. Additionally, we have support operations and other commercial services at a leased office in Addison, Texas. We believe that our existing office properties are in good condition and are sufficient and suitable for the conduct of our business. In the event we need to expand our operations, or upon expiration of our current leases, we believe that suitable space will be available on commercially reasonable terms.

Item 3. Legal Proceedings

We are involved in various claims and lawsuits arising in the ordinary course of business, some of which include claims for substantial sums, including proceedings involving tort and other general liability claims, employee claims, consumer protection claims and claims related to our management of certain hotels. We recognize a liability when we believe the loss is probable and can be reasonably estimated. Most occurrences involving liability, claims of negligence and employees are covered by indemnification from third-party hotel owners and/or policies that we hold with solvent insurance carriers. The ultimate results of claims and litigation cannot be predicted with certainty. We believe we have adequate reserves against such matters. We currently believe that the ultimate outcome of such lawsuits and proceedings will not, individually or in the aggregate, have a material adverse effect on our consolidated financial position, results of operations or cash flows. However, depending on the amount and timing, an unfavorable resolution of some or all of these matters could materially affect our future results of operations in a particular period.

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

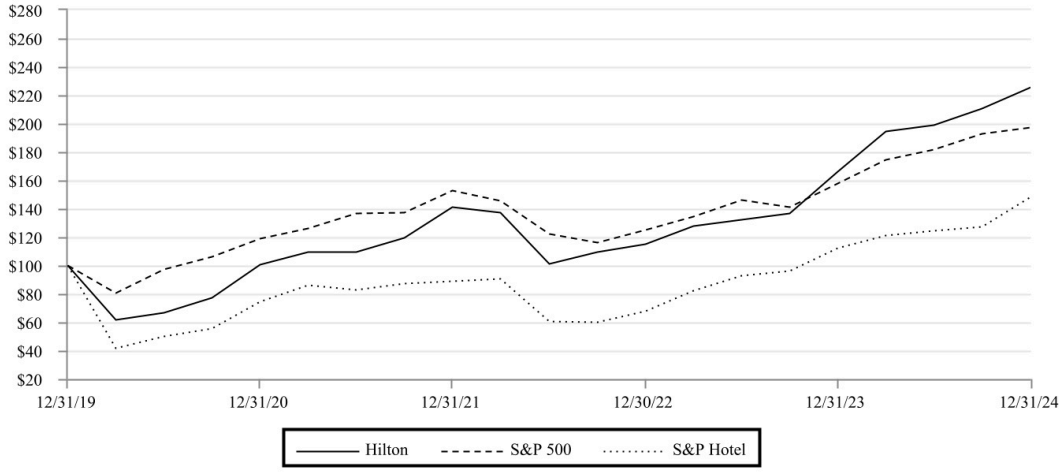
Market Information and Dividends

Our common stock is listed for trading on the NYSE under the symbol "HLT." As of December 31, 2024, there were 12 holders of record of our common stock, which does not include a substantially greater number of beneficial holders whose shares are held of record by banks, brokers and other financial institutions.

We currently pay regular quarterly cash dividends and expect to continue paying regular cash dividends on a quarterly basis. Any decision to declare and pay dividends in the future will be made at the sole discretion of our board of directors, whose decision will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our board of directors may deem relevant. Because we are a holding company and have no direct operations, we will only be able to pay dividends from funds we receive from our subsidiaries.

Performance Graph

The following graph compares Hilton's cumulative total stockholder return since December 31, 2019 with the Standard and Poor's ("S&P") 500 Index ("S&P 500") and the S&P Hotels, Resorts & Cruise Lines Index ("S&P Hotel"). The graph assumes that the value of the investment in our common stock and each index was $100 on December 31, 2019. The comparisons in the graph below are based on historical data and are not indicative of, or intended to forecast, future performance of our common stock.



	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Hilton	$ 100.00	$ 100.47	$ 140.87	$ 114.49	$ 165.64	$ 225.46
S&P 500	100.00	118.39	152.34	124.73	157.48	196.85
S&P Hotel	100.00	74.12	88.83	67.29	111.92	147.93

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

The following table sets forth information regarding our purchases of shares of our common stock during the three months ended December 31, 2024:

	Total Number of Shares Purchased	Average Price Paid per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Program[2]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program[2] (in millions)
October 1, 2024 to October 31, 2024	1,123,811	$ 235.63	1,123,811	$ 1,404
November 1, 2024 to November 30, 2024	927,020	248.12	927,020	4,674
December 1, 2024 to December 31, 2024	988,434	251.93	988,434	4,425
Total	3,039,265	244.74	3,039,265	

(1) Includes commissions paid.

(2) In November 2024, our board of directors authorized the repurchase of an additional $3.5 billion of our common stock under our stock repurchase program, which was initially announced in February 2017 and subsequently increased in November 2017, February 2019, March 2020, November 2022 and November 2023. As such, our stock repurchase program allows for the repurchase of up to a total of $14.5 billion of our common stock. Under this publicly announced program, we are authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The repurchase program does not have an expiration date and may be suspended or discontinued at any time.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

For the discussion of the financial condition and results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022, refer to "Part II —Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 7, 2024, which is incorporated herein by reference.

Overview

Our Business

Hilton is one of the largest global hospitality companies, with 8,447 properties comprising 1,268,206 rooms in 140 countries and territories as of December 31, 2024. Our premier brand portfolio includes luxury, lifestyle, full service, focused service and all-suites hotel brands, as well as timeshare brands. As of December 31, 2024, we had 211 million members in our award-winning guest loyalty program, Hilton Honors, an increase of 17 percent from December 31, 2023.

Segments and Regions

We analyze our operations and business by both operating segments and geographic regions. Our operations consist of two reportable segments that are based on similar products and services: (i) management and franchise and (ii) ownership. The management and franchise segment provides services, including hotel management and licensing of our IP and/or the use of our booking channels and related programs. Revenues from this segment include: (i) management and franchise fees charged to third-party hotel owners; (ii) licensing fees from our strategic partners, including co-branded credit card providers and strategic partner hotels, and HGV; and (iii) fees for managing the hotels in our ownership segment. As a manager of hotels, we typically are responsible for supervising or operating the hotel in exchange for management fees. As a franchisor of hotels, we charge franchise fees in exchange for the use of one of our brand names and/or related commercial services, such as our reservations system, marketing and information technology services, while a third party manages or operates such franchised hotels. The ownership segment primarily derives revenues from nightly hotel room sales, food and beverage sales and other services at our consolidated owned and leased hotels.

We conduct business in three distinct geographic regions: (i) the Americas; (ii) EMEA; and (iii) Asia Pacific. The Americas region includes North America, South America and Central America, including all Caribbean nations. Although the U.S., which represented 65 percent of our system-wide hotel rooms as of December 31, 2024, is included in the Americas region, it is often analyzed separately and apart from the Americas region and, as such, it is presented separately within our hotel operating statistics in "—Results of Operations." The EMEA region includes Europe, which represents the western-most peninsula of Eurasia stretching from Iceland in the west to Russia in the east, and the Middle East and Africa ("MEA"), which represents the Middle East region and all African nations, including the Indian Ocean island nations. Europe and MEA are often analyzed separately and, as such, are presented separately within our hotel operating statistics in "—Results of Operations." The Asia Pacific region includes the eastern and southeastern nations of Asia, as well as India, Australia, New Zealand and the Pacific Island nations.

System Growth and Development Pipeline

Our strategic objectives include the continued expansion of our global hotel network, in particular our fee-based business. As we enter into new management and franchise contracts and enter into strategic agreements to complement our hotel portfolio, we expand our business with limited or no capital investment by us as the manager, franchisor or licensor, since the capital required to build, renovate and maintain hotels is typically provided by the third-party owners with whom we contract to provide management services, license our IP or provide access to our booking channels and related programs. Prior to approving the addition of new hotels to our management and franchise development pipeline, we evaluate the economic viability of the hotel based on its geographic location, the credit quality of the third-party owner and other factors. By increasing the number of management and franchise contracts with third-party owners, over time we expect to increase revenues, overall return on invested capital and free cash flow. See further discussion on our cash management policy in "—Liquidity and Capital Resources." The current economic environment, including elevated levels of inflation and interest rates, has posed certain challenges to the execution of our growth strategy, which in some cases have included and may continue to include delays in openings and new development.

In addition to our current hotel portfolio, we are focused on the growth of our business by expanding our global hotel network through our development pipeline, which represents hotels that we expect to add to our system in the future. The following table summarizes our development activity:

	As of or for the Year Ended December 2024	
	Hotels	**Rooms[1]**
Hotel system		
Openings[2]	973	98,4(
Net additions[3]	904	83,0(
Development pipeline		
Additions[4]	1,432	154,2(
Count as of period end[5]	3,578	498,6(

(1) Rounded to the nearest hundred.
(2) Openings include 411 hotels and approximately 19,500 rooms from strategic partner hotels.
(3) Represents room additions, net of rooms removed from our system. During 2024, 409 hotels and approximately 19,400 rooms added were from strategic partner hotels. Net unit growth for the year ended December 31, 2024 was 7.3 percent.
(4) Additions include 423 hotels and approximately 20,100 rooms from strategic partner hotels.
(5) The hotels in our development pipeline were under development throughout 118 countries and territories, including 25 countries and territories where we had no existing hotels, with nearly half of the rooms under construction and more than half of the rooms located outside of the U.S. Rooms under construction include rooms for hotels under construction or operating hotels that are in the process of conversion to our system. Nearly all of the rooms in our development pipeline will be in our management and franchise segment upon opening. We do not consider any individual development project to be material to us.

Principal Components and Factors Affecting our Results of Operations

Revenues

Principal Components

We primarily derive our revenues from the following sources:

- *Franchise and licensing fees*. Represents fees earned in connection with licensing our IP, including our brands and/or the use of our booking channels and related programs. Under our long-term franchise contracts with hotel owners, franchisees typically pay us franchise fees that include: (i) monthly royalty fees, generally based on a percentage of the hotel's monthly gross room revenue, and, in some cases, may also include a percentage of gross food and beverage revenues and other revenues, as applicable; and (ii) application, initiation and other fees for when new hotels enter the system, when there is a change of ownership of a hotel or when contracts with hotels already in our system are extended. Consideration provided to incentivize hotel owners to enter into franchise contracts with us is amortized over the life of the applicable contract as a reduction to franchise and licensing fees. Our license agreements, for which we receive licensing fees for the use of our IP and/or the use of our booking channels and related programs, are predominantly with strategic partners, including co-branded credit card providers, strategic partner hotels and HGV.

- *Base and incentive management fees*. Represents fees earned in connection with the management of hotels. Terms of our management contracts vary, but our fees typically consist of a base management fee, which is generally based on a percentage of the hotel's monthly gross operating revenue and, when applicable, an incentive management fee, which is generally based on a percentage of the hotel's operating profits, normally over a one calendar year period, and, in some cases, may be subject to a stated return threshold to the hotel owner. Outside of the U.S., our fees are often more dependent on hotel profitability measures, either because of a single management fee structure where the entire fee is an incentive management fee, or because our two-tier fee structure is more heavily weighted toward the incentive management fee than the base management fee. Consideration provided to incentivize hotel owners to enter into management contracts with us is amortized over the life of the applicable contract as a reduction to base and other management fees.

- *Owned and leased hotels*. Represents revenues derived from the operations of our consolidated owned and leased hotels, including hotel room sales, accommodations sold in conjunction with other services, food and beverage sales and other ancillary goods and services. These revenues are primarily derived from two categories of customers:

transient and group. Transient guests are individual travelers who are traveling for business or leisure. Group guests are travelers who are traveling for group events that reserve rooms for meetings, conferences or social functions, and may be sponsored by corporate, social, military, educational, religious or other organizations or associations. Group business usually includes a block of room accommodations, as well as other ancillary services, such as meeting facilities and catering and banquet services. A majority of our food and beverage sales and other ancillary goods and services are provided to customers who are also occupying rooms at our hotels. As a result, occupancy affects all components of our owned and leased hotels revenues.

- *Other revenues*. Represents revenues primarily generated by our purchasing operations.

- *Other revenues from managed and franchised properties*. Represents amounts that are contractually reimbursed to us by property owners, either directly as costs are incurred or indirectly through monthly program fees related to certain costs and expenses supporting the operations of the related properties. The direct reimbursements by property owners are primarily for payroll and related costs if the managed hotel employees are legally employed by us. We have no legal responsibility for the employee liabilities related to certain of our managed properties, predominately those located outside of the U.S., where we are not the legal employer, as well as the employees or the liabilities associated with operating franchised properties or strategic partner hotels. Revenues and expenses for these direct reimbursements have no net effect on operating income (loss) or net income (loss). For the indirect reimbursements, Hilton collects monthly program fees from our managed and franchised properties, which are based on the underlying hotel's sales or usage. The program fees serve as reimbursement for the costs related to the operation of our marketing, sales and brand programs and shared services. Hilton collects program fees from strategic partner hotels when a stay that was reserved using our booking channels is completed. Indirect reimbursements also include revenues related to our Hilton Honors guest loyalty program, which are primarily derived from payments from hotel franchisees and third-party owners of hotels we manage that participate in the program, as well as strategic partners, including strategic partner hotels. We are contractually required to use these fees that we collect solely for these programs.

Factors Affecting our Revenues

The following factors affect the revenues we derive from our operations:

- *Consumer demand and global economic conditions*. Consumer demand for our products and services, as well as the products and services of the third parties from which we earn licensing fees, is closely linked to the performance of the general economy and is sensitive to business and personal discretionary spending levels. Among other factors, declines in consumer demand due to adverse general economic conditions, risks reducing or otherwise negatively affecting travel patterns, lower consumer confidence and adverse geopolitical conditions can reduce the amount of management and franchise fees we are able to generate and/or reduce the revenues and profitability of the operations of our owned and leased hotels. Further, competition for hotel guests and the supply of hotel services affect our ability to sustain or increase rates charged to customers of our hotels. Also, declines in hotel profitability during an economic downturn directly affect the incentive portion of our management fees, which is based on hotel profitability measures. As a result, changes in consumer demand and general business cycles have historically subjected and could in the future subject our revenues to significant volatility.

- *Contracts with third-party hotel owners and franchisees and relationships with developers*. We depend on our long-term management and franchise contracts with third-party hotel owners and hotel franchisees for our management and franchise fee revenues. The success and sustainability of our management and franchise business depends on our ability to perform under our management and franchise contracts and maintain good relationships with third-party hotel owners and franchisees. Our relationships with these third parties allow us to maintain our current presence as contracts mature and also generate new incremental opportunities for property development that can support our growth. Growth and maintenance of our hotel system and earning fees related to hotels in development are dependent on the ability of developers and owners to access capital for the development, maintenance and renovation of properties. We believe that we generally have good relationships with our third-party hotel owners, franchisees and developers and are committed to the continued growth and development of these relationships. These relationships exist with a diverse group of owners, franchisees and developers and are not significantly concentrated with any one particular third party.

Expenses

Principal Components

We primarily incur the following expenses:

- *Owned and leased hotels.* Reflects the operating expenses of our consolidated owned and leased hotels, including room expenses, food and beverage costs, other support costs and property expenses. Room expenses include compensation costs for housekeeping, laundry and front desk staff, as well as supply costs for guest room amenities and laundry. Food and beverage costs include costs for wait and kitchen staff and food and beverage inventory. Other support expenses include costs associated with property-level management, utilities, sales and marketing, operating hotel spas, operating telephones, parking and other guest recreation, entertainment and other services. Property expenses include property taxes, repairs and maintenance, rent and insurance.

- *Depreciation and amortization.* These are non-cash expenses that primarily consist of: (i) amortization of capitalized software costs; (ii) depreciation and amortization of property and equipment, including our finance lease right-of-use ("ROU") assets, such as buildings and furniture and equipment that are used in corporate operations or at our consolidated owned and leased hotels; (iii) amortization of management and franchise contracts acquired from third parties and (iv) amortization of intangible assets that were recorded at their fair value at the time of the 2007 transaction whereby we became a wholly owned subsidiary of affiliates of Blackstone Inc. (the "Merger"). As of January 1, 2022, the only remaining finite-lived intangible assets resulting from the Merger related to leases, international management contracts and our Hilton Honors guest loyalty program. The assets related to the international management contracts and Hilton Honors, which both had useful lives of 16 years, were fully amortized during the year ended December 31, 2023.

- *General and administrative.* Consists primarily of compensation costs for our corporate employees, including share-based compensation; professional fees, including consulting, audit and legal fees; travel and entertainment expenses; credit losses for estimated uncollectible management, franchise and other fees; and administrative and related expenses.

- *Other expenses*. Primarily consists of expenses incurred by our purchasing operations.

- *Other expenses from managed and franchised properties.* Represents certain costs and expenses that are contractually reimbursed to us by property owners, primarily for (i) payroll and related costs for hotels that we manage where the employees are legally employed by us and (ii) expenses related to our marketing, sales, brands and shared services programs. We are contractually required to use these fees solely for these programs. We have no legal responsibility for the employees or the liabilities associated with operating franchised properties, strategic partner hotels or certain of our managed hotels, predominately those located outside of the U.S. Other expenses from managed and franchised properties also includes expenses for the operation of our Hilton Honors guest loyalty program as well as credit losses for estimated uncollectible Hilton Honors and program fees.

Factors Affecting our Costs and Expenses

The following are principal factors that affect the costs and expenses we incur in the course of our operations:

- *Fixed expenses.* Many of the expenses associated with owning and leasing hotels are relatively fixed. These expenses include personnel costs, rent, property taxes, insurance and utilities. If we are unable to decrease these costs significantly or rapidly when demand for our hotels decreases, the resulting decline in our revenues can have an adverse effect on our net cash flows and profits. This effect can be especially pronounced during periods of economic contraction or slow economic growth. Economic downturns generally affect the results of our ownership segment more significantly than the results of our management and franchise segment due to the high fixed costs associated with operating an owned or leased hotel. Employees at some of our owned and leased hotels are parties to collective bargaining agreements that may also limit our ability to make timely staffing or labor changes in response to declining revenues. In addition, any efforts to reduce costs, including the deferral or cancellation of capital improvements, could adversely affect the economic value of our hotels and brands. Additionally, the general and administrative expenses of operating a global business also include fixed personnel costs, rent, property taxes, insurance and utilities. The effectiveness of any cost-cutting efforts related to owning and leasing hotels or corporate operations is limited by the amount of inherent fixed costs. However, we have taken steps to manage our fixed costs to levels we believe are

appropriate to maximize profitability and respond to market conditions, while continuing to optimize value for the experiences of our customers, owners and Hilton employees, which supports the long-term sustainability of our brands and business.

- *Changes in depreciation and amortization expenses.* We capitalize costs associated with certain software development projects and, as those projects are completed and placed into service, amortization expense will increase. As the finite-lived intangible assets that were recorded at the Merger become fully amortized, amortization expense will decrease. As of December 31, 2024, the only remaining finite-lived intangible assets that resulted from the Merger were those related to leases, as included in other intangible assets. We capitalize management and franchise contract intangibles acquired from third parties and amortize the amounts over their useful lives. Additionally, changes in depreciation expense may be driven by renovations of existing hotels, acquisition or development of new hotels, the disposition of existing hotels or corporate facilities through sale, closure or lease termination, lease renewals, expenditures related to our corporate facilities or changes in estimates of the useful lives of our assets. As we place new assets into service, we will be required to recognize additional depreciation expense on those assets. If we are required to recognize impairment losses related to our depreciable assets or finite-lived intangible assets, the related depreciation or amortization expense, respectively, will decrease.

Other Items

Effect of foreign currency exchange rate fluctuations

Significant portions of our operations are conducted in functional currencies other than our reporting currency, which is USD, and we have assets and liabilities, including those that are payable or receivable by consolidated subsidiaries, denominated in a variety of foreign currencies. As a result, we are required to translate the results of those operations, assets and liabilities from their functional currency into USD at market-based foreign currency exchange rates for each reporting period. When comparing our results of operations between reporting periods, there may be material portions of the changes in our revenues or expenses that are derived from fluctuations in foreign currency exchange rates experienced between those periods. We hedge foreign currency exchange-based cash flow variability of certain of our fees using foreign currency forward contracts designated as hedging instruments. We also hold short-term foreign currency forward contracts to offset exposure to fluctuations in certain of our foreign currency denominated cash balances and intercompany financing arrangements, and we have not currently elected to designate these forward contracts as hedging instruments.

Seasonality

The hospitality industry is seasonal in nature. The periods during which our properties experience higher or lower levels of demand vary from property to property, depending principally upon their location, type of property and competitive mix within the specific location. Based on historical results, we generally expect our revenues to be lower in the first quarter of each year than in each of the three subsequent quarters.

Key Business and Financial Metrics Used by Management

Comparable Hotels

We define our comparable hotels as those that: (i) were active and operating in our system for at least one full calendar year, have not undergone a change in brand or ownership type during the current or comparable periods and were open January 1st of the previous year; and (ii) have not undergone large-scale capital projects, sustained substantial property damage, encountered business interruption or for which comparable results were not available. We exclude strategic partner hotels from our comparable hotels. Of the 8,342 hotels in our system as of December 31, 2024, 409 hotels were strategic partner hotels and 6,050 hotels were classified as comparable hotels. Our 1,883 non-comparable hotels as of December 31, 2024 included (i) 1,005 hotels that were added to our system after January 1, 2023 or that have undergone a change in brand or ownership type during the current or comparable periods reported and (ii) 878 hotels that were removed from the comparable group for the current or comparable periods reported because they underwent or are undergoing large-scale capital projects, sustained substantial property damage, encountered business interruption or comparable results were otherwise not available.

Occupancy

Occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels for a given period. Occupancy measures the utilization of available capacity at a hotel or group of hotels.

Management uses occupancy to gauge demand at a specific hotel or group of hotels in a given period. Occupancy levels also help management determine achievable Average Daily Rate ("ADR") pricing levels as demand for hotel rooms increases or decreases.

ADR

ADR represents hotel room revenue divided by the total number of room nights sold for a given period. ADR measures the average room price attained by a hotel, and ADR trends provide useful information concerning the pricing environment and the nature of the customer base of a hotel or group of hotels. ADR is a commonly used performance measure in the industry, and we use ADR to assess pricing levels that we are able to generate by type of customer, as changes in rates charged to customers have different effects on overall revenues and incremental profitability than changes in occupancy, as described above.

Revenue per Available Room ("RevPAR")

RevPAR is calculated by dividing hotel room revenue by the total number of room nights available to guests for a given period. We consider RevPAR to be a meaningful indicator of our performance as it provides a metric correlated to two primary and key drivers of operations at a hotel or group of hotels, as previously described: occupancy and ADR. RevPAR is also a useful indicator in measuring performance over comparable periods for comparable hotels.

References to occupancy, ADR and RevPAR are presented on a comparable basis, based on the comparable hotels as of December 31, 2024, and references to ADR and RevPAR are presented on a currency neutral basis, unless otherwise noted. As such, comparisons of these hotel operating statistics for the years ended December 31, 2024 and 2023 use the foreign currency exchange rates used to translate the results of the Company's foreign operations within its consolidated financial statements for the year ended December 31, 2024.

EBITDA and Adjusted EBITDA

EBITDA reflects net income (loss), excluding interest expense, a provision for income tax benefit (expense) and depreciation and amortization expenses. Adjusted EBITDA is calculated as EBITDA, as previously defined, further adjusted to exclude certain items, including gains, losses, revenues and expenses in connection with: (i) asset dispositions for both consolidated and unconsolidated investments; (ii) foreign currency transactions; (iii) debt restructurings and retirements; (iv) furniture, fixtures and equipment ("FF&E") replacement reserves required under certain lease agreements; (v) share-based compensation; (vi) reorganization, severance, relocation and other expenses; (vii) non-cash impairment; (viii) amortization of contract acquisition costs; (ix) other revenues from managed and franchised properties and other expenses from managed and franchised properties; and (x) other items.

We believe that EBITDA and Adjusted EBITDA provide useful information to investors about us and our financial condition and results of operations for the following reasons: (i) these measures are among the measures used by our management team to evaluate our operating performance and make day-to-day operating decisions and (ii) these measures are frequently used by securities analysts, investors and other interested parties as a common performance measure to compare results or estimate valuations across companies in our industry. Additionally, these measures exclude certain items that can vary widely across different industries and among competitors within our industry. For instance, interest expense and income taxes are dependent on company specifics, including, among other things, capital structure and operating jurisdictions, respectively, and, therefore, could vary significantly across companies. Depreciation and amortization expenses, as well as amortization of contract acquisition costs, are dependent upon company policies, including the method of acquiring and depreciating assets and the useful lives that are assigned to those depreciating or amortizing assets for accounting purposes. For Adjusted EBITDA, we also exclude items such as: (i) FF&E replacement reserves for leased hotels to be consistent with the treatment of capital expenditures for property and equipment, where depreciation of such capitalized assets is reported within depreciation and amortization expenses; (ii) share-based compensation, as this could vary widely among companies due to the different plans in place and the usage of them; and (iii) other items that are not reflective of our operating performance, such as amounts related to debt restructurings and debt retirements and reorganization and related severance costs, to enhance period-over-period comparisons of our ongoing operations. Further, Adjusted EBITDA excludes both other revenues from managed and franchised properties and other expenses from managed and franchised properties as we contractually do not operate the related programs to generate a profit and have the contractual rights to adjust future collections to recover prior period expenditures. The direct reimbursements from property owners are billable and reimbursable as the costs are incurred and have no net effect on net income (loss) in the reporting period. The indirect reimbursements from property owners are typically billed and collected monthly, based on the underlying hotel's sales or usage (e.g., gross room revenue or number of reservations processed), while the associated costs are recognized as incurred by Hilton, creating timing differences, with the net effect impacting net income

(loss) in the reporting period. These timing differences are due to our discretion to spend in excess of revenues earned or less than revenues earned in a single period to ensure that the programs are operated in the best long-term interests of our property owners. However, over the life of the operation of these programs, the expenses incurred related to the indirect reimbursements are designed to equal the revenues earned from the indirect reimbursements over time such that, in the long term, the programs will not earn a profit or generate a loss and do not impact our economics, either positively or negatively. Therefore, the net effect of our cost reimbursement revenues and expenses is not used by management to evaluate our operating performance, determine executive compensation or make other operating decisions, and we exclude their impact when evaluating period over period performance results.

EBITDA and Adjusted EBITDA are not recognized terms under U.S. generally accepted accounting principles ("GAAP") and should not be considered as alternatives, either in isolation or as a substitute, for net income (loss) or other measures of financial performance or liquidity, including cash flows, derived in accordance with GAAP. Further, EBITDA and Adjusted EBITDA have limitations as analytical tools, including:

- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA and Adjusted EBITDA do not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- EBITDA and Adjusted EBITDA do not reflect income tax expenses or the cash requirements to pay our taxes;
- EBITDA and Adjusted EBITDA do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA and Adjusted EBITDA do not reflect the effect on earnings or changes resulting from matters that we consider not to be indicative of our future operations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate EBITDA and Adjusted EBITDA differently, limiting their usefulness as comparative measures.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as discretionary cash available to us to reinvest in the growth of our business, return to our stockholders through share repurchases and dividends or as measures of cash that will be available to us to meet our obligations.

Results of Operations

The hotel operating statistics by region for our system-wide comparable hotels were as follows:

		Year Ended December 31, 2024	Change 2024 vs. 2023
System-wide			
Occupancy		72.1 %	0.8 % pts.
ADR	$	159.55	1.6 %
RevPAR	$	115.09	2.7 %
U.S.			
Occupancy		72.5 %	0.5 % pts.
ADR	$	167.27	1.0 %
RevPAR	$	121.34	1.8 %
Americas (excluding U.S.)			
Occupancy		69.0 %	0.8 % pts.
ADR	$	155.88	5.2 %
RevPAR	$	107.50	6.5 %
Europe			
Occupancy		74.6 %	2.5 % pts.
ADR	$	165.69	3.8 %
RevPAR	$	123.62	7.4 %
MEA			
Occupancy		73.0 %	2.9 % pts.
ADR	$	180.77	5.3 %
RevPAR	$	131.88	9.6 %
Asia Pacific			
Occupancy		69.5 %	0.5 % pts.
ADR	$	110.03	0.8 %
RevPAR	$	76.49	1.6 %

System-wide RevPAR increased during the year ended December 31, 2024 supported by improvements in system-wide ADR, which included the impact of inflation, and an increase in occupancy in all regions, which was driven by an increase in group demand, with leisure and business demand also improving modestly. The increase in RevPAR in the U.S. was driven by an increase in bookings due to an increase in weekday travel, primarily for groups, with consistent growth in business demand. The Americas region, excluding the U.S., continued to see improvement resulting from an increase in inbound leisure travel to Mexico and the Caribbean and Latin America. The RevPAR increase in Europe was driven by continued growth in inbound international leisure travel, which increased in several major cities that held large popular sporting events, as well as steady business demand. The RevPAR improvement in MEA was driven by increased demand from special regional events as well as more relaxed travel policies. The increase in Asia Pacific was due to growth in countries and territories outside of China across the region, driven by increased holiday travel, less restrictive tourism policies and special events in the region, partially offset by tougher year-over-year comparisons in China, after the reacceleration in the prior year as a result of the removal of cross-border travel restrictions.

The table below provides a reconciliation of net income to EBITDA and Adjusted EBITDA:

	Year Ended December 31,	
	2024	2023
	(in millions)	
Net income	$ 1,539	$ 1,1
Interest expense	569	4
Income tax expense	244	5
Depreciation and amortization expenses	146	1
EBITDA	2,498	2,3
Gain on sales of assets, net	(5)	-
Loss on foreign currency transactions	12	
Loss on investments in unconsolidated affiliate[1]	—	
Loss on debt guarantees[2]	50	-
FF&E replacement reserves	57	
Share-based compensation expense	176	1
Impairment losses	—	
Amortization of contract acquisition costs	50	
Other revenues from managed and franchised properties[3]	(6,428)	(5,8
Other expenses from managed and franchised properties[3]	6,985	6,1
Other adjustments[4]	34	
Adjusted EBITDA	$ 3,429	$ 3,0

(1) Amount includes losses recognized related to equity and debt financing that we had previously provided to an unconsolidated affiliate with underlying investments in certain hotels that we manage or franchise; refer to Note 6: "Loss on Investments in Unconsolidated Affiliate" in our consolidated financial statements for additional information.

(2) Amount includes losses on debt guarantees for certain hotels that we manage; refer to Note 20: "Commitments and Contingencies" in our consolidated financial statements for additional information.

(3) Amounts include results from the operation of programs conducted for the benefit of property owners and exclude cash receipts recorded as deferred revenues on our consolidated balance sheets related to these programs. Under the terms of the related contracts, we do not operate these programs to generate a profit and have the contractual rights to adjust future collections to recover prior period expenditures.

(4) Amount for the year ended December 31, 2024 includes losses for the full or partial settlement of certain pension plans and restructuring costs related to one of our leased properties as well as transaction costs incurred for acquisitions. Amounts for the years ended December 31, 2024 and 2023 include transaction costs resulting from the amendments of our credit agreement governing the senior secured term loan facilities ("Term Loans") in June 2024 and November 2023, respectively. Amounts for both periods also include net losses (gains) related to certain of our investments in unconsolidated affiliates, other than the loss included separately in "loss on investments in unconsolidated affiliate," severance and other items.

Revenues

	Year Ended December 31,		Percent Change
	2024	2023	2024 vs. 2023
	(in millions)		
Franchise and licensing fees	$ 2,600	$ 2,370	9.7
Base and other management fees	$ 369	$ 342	7.9
Incentive management fees	290	274	5.8
Total management fees	$ 659	$ 616	7.0

The increase in both franchise fees and management fees were largely attributable to increases in RevPAR at our comparable franchised and managed hotels. During the year ended December 31, 2024, RevPAR at our comparable franchised and managed hotels increased 1.8 percent and 5.2 percent, respectively, contributing to currency neutral increases in franchise and management fees of $61 million and $37 million, respectively, as a result of increased occupancy of 0.4 percentage points and 2.1 percentage points, respectively, and increased ADR of 1.3 percent and 2.1 percent, respectively.

Further, franchise and management fees included net increases of $57 million and $10 million, respectively, during the year ended December 31, 2024 as a result of net hotel additions and increases of $9 million and $12 million, respectively, in termination fees.

Licensing fees increased $98 million as a result of an increase in fees from our strategic partnerships, primarily resulting from activity under our co-branded credit card arrangements, HGV and branded residential fees. Increased fees from HGV resulted from increased timeshare revenues earned by HGV, inclusive of the impact of adding new timeshare properties to our system during the period, including those acquired by HGV from third parties.

	Year Ended December 31,		Percent Change
	2024	2023	2024 vs. 2023
	(in millions)		
Owned and leased hotels revenues	$ 1,255	$ 1,244	0.9

The $11 million increase in owned and leased hotel revenues included a currency neutral increase of $23 million, partially offset by a $12 million decrease resulting from unfavorable fluctuations in foreign currency exchange rates.

Revenues from our comparable owned and leased hotels increased $59 million, on a currency neutral basis, due to the increase in RevPAR at our comparable owned and leased hotels of 8.1 percent. The increase in RevPAR was due to increases in occupancy of 2.5 percentage points and ADR of 4.7 percent. Revenues from our non-comparable owned and leased hotels decreased $36 million, on a currency neutral basis, primarily due to hotels undergoing renovations, offset by hotels that underwent renovations in the prior year, hotels that exited our system between the periods and the business disruption, caused by military conflict, that occurred at our leased hotel in Israel.

	Year Ended December 31,		Percent Change
	2024	2023	2024 vs. 2023
	(in millions)		
Other revenues	$ 232	$ 178	30.3

The increase in other revenues was primarily due to increased procurement volume and associated vendor rebates for purchases made by properties, including properties outside of our system, that participate in our purchasing programs.

Operating Expenses

	Year Ended December 31,		Percent Change
	2024	2023	2024 vs. 2023
	(in millions)		
Owned and leased hotels expenses	$ 1,126	$ 1,141	(1.3)

The $15 million decrease in owned and leased hotels expenses included a decrease of $10 million on a currency neutral basis and a $5 million decrease resulting from favorable fluctuations in foreign currency exchange rates.

Expenses from our comparable owned and leased hotels increased $37 million, on a currency neutral basis, as a result of increased occupancy and cost inflation, primarily due to increases in payroll and other compensation costs, as well as rent expense and expenses related to FF&E replacement reserves. Operating expenses from our non-comparable owned and leased hotels decreased $47 million, on a currency neutral basis, primarily due to hotels undergoing renovations, hotels that exited our system and the business disruption, caused by military conflict, that occurred at our leased hotel in Israel.

	Year Ended December 31,		Percent Change
	2024	2023	2024 vs. 2023
	(in millions)		
Depreciation and amortization expenses	$ 146	$ 147	(0.7)
General and administrative expenses	415	408	1.7
Impairment losses	—	38	NM[1]
Other expenses	137	112	22.3

(1) Fluctuation in terms of percentage change is not meaningful.

The decrease in depreciation and amortization expenses was primarily driven by a decrease of $32 million for certain intangible assets that became fully amortized during the year ended December 31, 2023. The decrease was mostly offset by an increase related to software and corporate and leased hotel assets placed in service between the periods.

The increase in general and administrative expenses was primarily due to an increase in costs related to payroll and other compensation costs.

We recognized $38 million of impairment losses during the year ended December 31, 2023 on assets associated with certain leased hotels; see Note 12: "Fair Value Measurements" in our consolidated financial statements for additional information.

The increase in other expenses was primarily due to costs associated with higher procurement volume from our purchasing operations.

Non-operating Income and Expenses

	Year Ended December 31,		Percent Change
	2024	2023	2024 vs. 2023
	(in millions)		
Interest expense	$ (569)	$ (464)	22.6
Loss on foreign currency transactions	(12)	(16)	(25.0)
Loss on investments in unconsolidated affiliate	—	(92)	NM[1]
Other non-operating income (loss), net	(6)	39	NM[1]
Income tax expense	(244)	(541)	(54.9)

(1) Fluctuation in terms of percentage change is not meaningful.

In November 2023, we amended the credit agreement governing the Term Loans and increased borrowings by $500 million (the "November 2023 Amendment"). In addition, in both March 2024 and in September 2024 we issued $1.0 billion Senior Notes (collectively, the "March and September Senior Notes issuances") for a total aggregate principal amount of $2.0 billion for the year. See Note 10: "Debt" in our consolidated financial statements for additional information.

The increase in interest expense was primarily attributable to (i) an increase related to the Term Loans of $31 million as a result of the increase in the outstanding borrowings resulting from the November 2023 Amendment and (ii) an increase of $66 million due to the March and September Senior Notes issuances.

The net gains and losses on foreign currency transactions are a result of changes in foreign currency exchange rates, including on certain intercompany financing arrangements, such as short-term cross-currency intercompany loans, as well as transactions denominated in foreign currencies.

The loss on investments in unconsolidated affiliate included: (i) a $44 million other-than-temporary impairment loss on our investment in one of our third-party unconsolidated affiliates (the "Fund"), which has underlying investments in certain hotels that we manage or franchise, and (ii) $48 million of credit losses on financing receivables provided to the Fund. See Note 6: "Loss on Investments in Unconsolidated Affiliate" and Note 12: "Fair Value Measurements" in our consolidated financial statements for additional information.

The net change in other non-operating income (loss), net during the year ended December 31, 2024 was primarily driven by an increase in losses on debt guarantees for certain hotels that Hilton manages. See Note 20: "Commitments and Contingencies" in our consolidated financial statements for additional information.

The decrease in income tax expense was primarily attributable to the $270 million benefit for the tax claim for increased foreign tax basis for certain brand assets, as well as an increase of $64 million in uncertain tax position reserves related to our guest loyalty program in 2023 that did not recur in 2024, partially offset by a $23 million increase to income tax expense attributable to the increase in income before income taxes. For additional information, see Note 14: “Income Taxes” in our consolidated financial statements.

Segment Results

As of December 31, 2024, our management and franchise segment included 831 managed and 7,566 franchised and licensed properties, which included 105 timeshare and 409 strategic partner hotels, consisting of 1,251,068 total rooms, and our ownership segment included 50 hotels consisting of 17,138 total rooms. Refer to Note 19: "Business Segments" in our consolidated financial statements for reconciliations of revenues for our reportable segments to consolidated total revenues and of segment Adjusted EBITDA to consolidated income before income taxes.

Franchise and licensing fees and total management fees including fees charged to our ownership segment and excluding amortization of contract acquisition costs reflects our management and franchise segment revenues and segment Adjusted EBITDA. For the year ended December 31, 2024, refer to "—Revenues" for further discussion of the increase in our franchise and licensing fees and total management fees. For the year ended December 31, 2024, refer to "—Revenues" for further discussion of the primary changes in revenues from our owned and leased hotels, which reflect our ownership segment revenues. Our ownership segment Adjusted EBITDA reflects owned and leased hotels revenues, less (i) owned and leased hotels expenses, excluding FF&E replacement reserves expenses, share-based compensation expenses and certain other items, less (ii) fees charged by our management and franchise segment to our ownership segment, plus (iii) income (losses) from hotels owned or leased by entities in which we own a noncontrolling financial interest. Refer to "—Operating Expenses" for further discussion of the changes in owned and leased hotels expenses.

Liquidity and Capital Resources

Overview

As of December 31, 2024, we had total cash and cash equivalents of $1,376 million, including $75 million of restricted cash and cash equivalents. The majority of our restricted cash and cash equivalents is related to cash collateral and cash held for FF&E reserves.

Our known short-term liquidity requirements primarily consist of funds necessary to pay for operating and other expenditures, including:

- costs associated with the management and franchising of hotels;
- corporate expenses;
- payroll and compensation costs;
- taxes and compliance costs;
- scheduled debt maturities and interest payments on our outstanding indebtedness, which, excluding finance lease liabilities, are estimated to be approximately $1.1 billion in 2025;
- lease payments under our finance and operating leases, which include minimum lease payments that are estimated to be approximately $42 million and $152 million, respectively, in 2025;
- costs, other than compensation and lease payments that are noted separately, associated with the operations of owned and leased hotels, including, but not limited to, utilities and operating supplies;
- committed contract acquisition costs;

- capital and maintenance expenditures for required renovations and maintenance at the hotels within our ownership segment;
- corporate capital and information technology expenditures;
- dividends as declared; and
- share repurchases.

Our known long-term liquidity requirements primarily consist of funds necessary to pay for:

- scheduled debt maturities and interest payments on our outstanding indebtedness, which, excluding finance lease liabilities, are estimated to total an aggregate of $13.3 billion after December 31, 2025;
- lease payments under our finance and operating leases, which include minimum lease payments that are estimated to total an aggregate of $92 million and $924 million, respectively, after December 31, 2025;
- committed contract acquisition costs;
- capital improvements to the hotels within our ownership segment;
- corporate capital and information technology expenditures;
- dividends as declared;
- share repurchases; and
- commitments to owners in our management and franchise segment made in the normal course of business for which we are reimbursed by these owners through Hilton Honors and program fees to operate our Hilton Honors program, marketing, sales and brand programs and shared services.

During the year ended December 31, 2024, we repurchased approximately 13.3 million shares of our common stock for $2.9 billion. As of December 31, 2024, approximately $4.4 billion remained available for share repurchases under our stock repurchase program.

In circumstances where we have the opportunity to support our strategic objectives, we may provide guarantees or other commitments, as necessary, to owners of hotels that we currently or in the future will manage or franchise or other third parties. See Note 20: "Commitments and Contingencies" in our consolidated financial statements for additional information on our commitments that were outstanding as of December 31, 2024.

We have a long-term investment policy that is focused on the preservation of capital and maximizing the return on new and existing investments and returning available capital to stockholders through dividends and share repurchases. Within the framework of our investment policy, we intend to finance our business activities primarily with cash on our balance sheet as of December 31, 2024, cash generated from our operations and, as needed, the use of the available capacity of our senior secured revolving credit facility (the "Revolving Credit Facility"). Additionally, we have continued access to debt markets and expect to be able to obtain financing as a source of liquidity as required and to extend maturities of existing borrowings, if necessary.

After considering our approach to liquidity and our available sources of cash, we believe that our cash position and sources of liquidity will meet anticipated requirements for operating and other expenditures, including corporate expenses, payroll and other compensation costs, taxes and compliance costs, current maturities of long-term debt and other commitments for the foreseeable future based on current conditions. The objectives of our cash management policy are maintaining the availability of liquidity and minimizing operational costs.

We may from time to time issue or incur or increase our capacity to incur new debt and/or purchase our outstanding debt through underwritten offerings, open market transactions, privately negotiated transactions or otherwise. Issuances or incurrence of new debt (or an increase in our capacity to incur new debt) and/or purchases or retirements of outstanding debt, if

any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Sources and Uses of Our Cash and Cash Equivalents

The following table summarizes our net cash flows:

	Year Ended December 31,		Percent Change
	2024	2023	2024 vs. 2023
	(in millions)		
Net cash provided by operating activities	$ 2,013	$ 1,946	3.4
Net cash used in investing activities	(446)	(305)	46.2
Net cash used in financing activities	(1,045)	(2,040)	(48.8)

Operating Activities

Cash flows from operating activities were primarily generated from management, franchise and licensing fee revenue and operating income from our owned and leased hotels. The increase in net cash inflows during the period was primarily due to the increase in cash inflows generated from our management and franchise segment, discussed in "—Revenues," largely as a result of an increase in RevPAR at our comparable managed and franchised hotels as well as revenues from net hotel additions and a $128 million decrease in payments of contract acquisition costs due to the timing of certain strategic hotel developments supporting our growth during the year ended December 31, 2023. The increase in cash provided by operating activities was partially offset by an outflow of $77 million for debt guarantee payments and an increase in cash paid for interest of $70 million.

Investing Activities

Net cash used in investing activities primarily included cash flows related to: (i) the acquisitions of (a) the Graduate brand and the associated franchise contracts and (b) a controlling financial interest in Sydell Hotels & Resorts, LLC and Sydell Holding Company UK Ltd, both completed during the year ended December 31, 2024, (ii) capitalized software costs that were related to various systems initiatives for the benefit of both our property owners and our overall corporate operations, and (iii) capital expenditures for property and equipment related to corporate property and the renovation of certain hotels in our ownership segment, which decreased between the periods due to the timing of certain corporate and hotel capital expenditure projects. Additionally, our investing activities include the net cash inflows and outflows related to our undesignated derivative financial instruments that we have in place to hedge against the impact of fluctuations in foreign currency exchange rates on certain of our intercompany loan and cash balances, which were primarily the result of changes in the exchange rates for the Euro for the year ended December 31, 2024 and the Pound Sterling to the U.S. dollar for the years ended December 31, 2024 and 2023.

Financing Activities

The decrease in net cash used in financing activities during the year ended December 31, 2024 was primarily attributable to a $2.0 billion increase in cash inflows from the March and September Senior Notes issuances. This increase in cash inflows was partially offset by a $555 million increase in cash outflows for share repurchases and payment of the related excise taxes and additional borrowings on the Term Loans of $500 million during the year ended December 31, 2023 as part of the November 2023 Amendment.

Debt and Borrowing Capacity

As of December 31, 2024, our total indebtedness, excluding the deduction for unamortized deferred financing costs and discounts, was approximately $11.2 billion. No debt amounts were outstanding under our Revolving Credit Facility as of December 31, 2024, which had an available borrowing capacity of $1,910 million after considering $90 million of outstanding letters of credit. For additional information on our total indebtedness and guarantees on our debt, refer to Note 10: "Debt" in our consolidated financial statements.

If we are unable to generate sufficient cash flow from operations in the future to service our debt, we may be required to reduce capital expenditures or issue additional equity securities. We have $500 million of 5.375% Senior Notes due in May

2025 ("May 2025 Senior Notes") and have no other material indebtedness that matures prior to April 2027. We believe that we have sufficient sources of liquidity and access to debt financing to address the repayment of the May 2025 Senior Notes at or prior to their maturity date as well as all indebtedness that becomes due thereafter. Our ability to make scheduled principal payments and to pay interest on our debt depends on our future operating performance, which is subject to general conditions in or affecting the hospitality industry that may be beyond our control.

Critical Accounting Estimates

The preparation of our consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements, the reported amounts of revenues and expenses during the reporting periods and the related disclosures in the consolidated financial statements and accompanying footnotes. On an ongoing basis, we evaluate these estimates and judgments based on historical experiences and various other factors that we believe reflect the current circumstances. While we believe our estimates, assumptions and judgments are reasonable, they are based on information available when they are made. Actual results may differ significantly from these estimates due to changes in judgments, assumptions and conditions as a result of unforeseen events or otherwise, which could have a material effect on our financial position or results of operations.

We believe that the following estimates, which are used in conjunction with our significant accounting policies, are critical because they involve a higher degree of judgment and are based on information that is inherently uncertain; refer to Note 2: "Basis of Presentation and Summary of Significant Accounting Policies" in our consolidated financial statements for information on our significant accounting policies. Management has discussed the development and selection of the following critical accounting estimates with the Audit Committee of the board of directors:

Impairment of Goodwill and Brands Intangible Assets

We evaluate goodwill and brands intangible assets for potential impairment on an annual basis or at other times during the year if indicators of impairment exist. Our reporting units are the same as our operating segments as described in Note 19: "Business Segments" in our consolidated financial statements.

As part of the evaluation of goodwill and brands intangible assets for potential impairment, we exercise judgment to:

- perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit or brand intangible asset is less than its carrying value. Factors we consider when making this determination include assessing historical trends and the overall effect of current trends in and future expectations of the hospitality industry and the general economy and regional performance;

- decide whether to bypass the qualitative assessment and perform a quantitative assessment. Factors we consider when making this determination include negative changes in the Company or general economic conditions since the previous quantitative assessment was performed, the amount by which the fair value exceeded the carrying value at the time of the previous assessment and the period of time that has passed since such quantitative assessment; and

- perform a quantitative analysis to identify both the existence and the amount of an impairment loss. The estimated fair value is based on internal projections of expected future cash flows and operating plans, discount rates and market conditions relative to the operations of the reporting unit or brand, as applicable.

Changes in the estimates and assumptions used in our impairment analysis, or changes in the factors that we consider that would affect these estimates and assumptions, such as those described above, could result in impairment losses, which could be material.

Impairment of Certain Finite-Lived Assets

We evaluate the carrying value of our specifically identifiable lease intangible assets, operating and finance lease ROU assets and property and equipment for indicators of impairment. As part of the process, we exercise judgment to:

- determine if there are indicators of impairment present. Factors we consider when making this determination include assessing historical trends and the overall effect of current trends in and future expectations of the hospitality industry and the general economy and regional performance, capital costs and other asset-specific information;

- determine the projected undiscounted future cash flows when indicators of impairment are present to determine whether an asset group is recoverable by comparing the expected undiscounted future cash flows to the net carrying value of that asset group. Judgment is required when developing projections of future revenues and expenses to determine the undiscounted cash flows, which are based on estimated performance over the expected useful life of the asset group. Forward-looking estimates of performance are based on historical operating results, adjusted for current and expected future market conditions, as well as various internal projections and external sources; and

- determine the asset group fair value when an asset group is determined not to be recoverable. In determining the fair value, we often use internally-developed discounted cash flow models, appraisals, recent similar transactions in the market and, if appropriate and available for a specific asset group, current estimated net sales proceeds from pending offers. The discounted cash flow models include the undiscounted cash flows, as discussed above, which may require us to adjust for specific market conditions, and a discount rate to determine the present value of those cash flows. The discount rate applied to forward-looking projections takes into account market-specific considerations.

Changes in the estimates and assumptions used in our impairment analysis, or changes in the factors that we consider that would affect these estimates and assumptions, such as those described above, could result in impairment losses, which could be material.

Hilton Honors

We record a point redemption liability for amounts received from properties participating in our Hilton Honors guest loyalty program and from strategic partners affiliated with the loyalty program, in an amount equal to the estimated cost per point of the future redemption obligation. We engage third-party actuaries annually to assist in determining the fair value of the future reward redemption obligation using a discount rate and statistical formulas that project future point redemptions based on factors that require judgment, including: (i) an estimate of the number of points that will eventually be redeemed, which includes an estimate of breakage (i.e., points that will never be redeemed); (ii) an estimate of when such points will be redeemed; and (iii) an estimate of the cost of reimbursing managed and franchised properties and other third parties for redemptions. The cost of the points expected to be redeemed includes further estimates of available room nights, occupancy rates, room rates and any changes to the Hilton Honors program, including devaluation or appreciation of points based on changes in the number of points required to redeem a reward. Any amounts received related to the issuance of points that are in excess of the cost per point, as determined with assistance from an actuary, are recorded as deferred revenue in our consolidated balance sheet and recognized as revenue upon point redemption. We recognize revenue for point redemptions in the amount we expect to retain in excess of the cost per point, inclusive of estimated breakage, and limit the revenue recognized to an amount that is probable to not result in a significant reversal in the cumulative revenue recognized when breakage occurs.

In addition to the Hilton Honors fees we receive from property owners to operate the program, we earn fees from strategic partnerships, including co-branded credit card arrangements, for a license to use our IP and the issuance of points. The allocation of the overall fees from the strategic partnerships between the IP license and the points is based on their estimated standalone selling prices. The estimated standalone selling price of the IP license is determined using a relief-from-royalty valuation method incorporating statistical formulas based on factors that require significant judgment, including estimates of the usage of the strategic partner's goods or services, an appropriate royalty rate and a discount rate applied to the projected cash flows. The estimated standalone selling price of the future reward redemptions of points under the strategic partnerships is calculated using a discounted cash flow analysis with the same assumptions as the point redemption liability discussed above, adjusted for an appropriate margin.

Changes in our estimates and assumptions that are used to determine our estimated cost per point and the allocation of fees from strategic partnerships between the IP license fee and the points could result in material changes in the balances of our liability for guest loyalty program and deferred revenues in our consolidated balance sheet. Further, the estimates and assumptions used for the allocation of fees could result in material changes to our licensing fees and other revenues from managed and franchised properties recognized in our consolidated statement of operations.

Income Taxes

We regularly review our deferred tax assets to assess their potential realization and establish valuation allowances for portions of such assets that we believe will not be ultimately realized. In performing this review, we consider all positive and negative evidence available, including, but not limited to, estimates and assumptions regarding projected future taxable income, the expected timing of reversals of existing temporary differences and the implementation of tax planning strategies, all of which require significant use of judgment. A change in these assumptions may increase or decrease our valuation allowances

resulting in an increase or decrease in our effective tax rate, respectively, which could materially affect our consolidated financial statements. Refer to Note 14: "Income Taxes" for information on the balances of our deferred tax assets and respective valuation allowances as of December 31, 2024.

We record the benefits of income tax positions by recognizing the largest amount of income tax benefit more-likely-than-not to be realized upon resolution. Estimating this benefit involves, but is not limited to, interpreting complex tax laws in the multiple jurisdictions where we operate, evaluating the technical merits of each tax position and assessing amounts we would ultimately accept in a negotiated settlement with the tax authorities, if applicable. The complexities and judgment involved in estimating the Company's income tax positions could result in payments materially different than the liabilities previously recognized for such expected payments. Additionally, as new information becomes available (e.g., legislative changes or administrative rulings) changes in the Company's judgment and assumptions could result in adjustments to our existing income tax position recognition. Changes to these assumptions and estimates may increase or decrease our existing liabilities, resulting in additional income tax expense or benefit, respectively, which could materially affect our consolidated financial statements.

Legal Contingencies

We are subject to various legal proceedings and claims, the outcomes of which are subject to significant uncertainty. An estimated loss from a loss contingency will be accrued as a charge to income if it is probable and the amount of the loss can be reasonably estimated. Significant judgment is required when we evaluate, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss in determining whether an accrual of an estimated loss is appropriate. Changes in these factors could materially affect our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk primarily from changes in the one-month Secured Overnight Financing Rate ("SOFR"), the benchmark rate for which the interest rate of the majority of our variable-rate indebtedness is based on, and foreign currency exchange rates. These rate changes may affect future income, cash flows and the fair value of the Company, its assets and its liabilities. In certain situations, we may seek to reduce volatility associated with changes in interest rates and foreign currency exchange rates by entering into derivative financial instruments intended to provide a hedge against a portion of the risks associated with such volatility. We continue to have exposure to such risks to the extent they are not hedged. We enter into derivative financial instruments to the extent they meet our objectives to reduce volatility in our results of operations and cash flows, and we do not use derivatives for speculative purposes.

Interest Rate Risk

We are exposed to interest rate risk on our variable-rate indebtedness. Our primary sensitivity in 2024 was to changes in one-month SOFR, as the interest rates on our Term Loans, which represent the majority of our variable-rate indebtedness, were based on this benchmark rate. We use an interest rate swap in order to maintain what we believe to be an appropriate level of exposure to interest rate variability. As of December 31, 2024, we held an interest rate swap for a portion of the Term Loans, through which we receive one-month term SOFR and pay a fixed rate. For our fixed-rate indebtedness, a change in interest rates impacts the fair value but generally does not have an impact on our future results of operations and cash flows.

The following table sets forth the current carrying values of our contractual maturities, total fair values and interest rates as of December 31, 2024 for our financial instruments that are materially affected by interest rate risk, including long-term debt and our interest rate swap:

	Maturities by Period							
	2025	2026	2027	2028	2029	Thereafter	Carrying Value	Fair Valu
	(dollars in millions)							
Long-term debt[1]:								
Fixed-rate long-term debt	$ 500	$ —	$ 600	$ 500	$ 1,350	$ 5,050	$ 8,000	$ 7,5
Weighted average fixed interest rate[2]							4.76 %	
Variable-rate long-term debt	$ —	$ —	$ —	$ —	$ —	$ 3,119	$ 3,119	$ 3,1
Variable interest rate[2][3]							6.09 %	
Interest rate swap[4]:								
Variable to fixed	$ —	$ 1,600	$ —	$ —	$ —	$ —	$ 1,600	$
Variable interest rate receivable[3]							4.34 %	
Fixed interest rate payable							1.76 %	

(1) The carrying values exclude the deduction for unamortized deferred financing costs and any applicable discounts, as well as all finance lease liabilities totaling $117 million as of December 31, 2024.
(2) The weighted average fixed interest rate is the weighted average of the actual rates and the variable interest rate is based on the market rate that was applicable as of December 31, 2024.
(3) The variable interest rate receivable on the interest rate swap excludes the fixed component of the variable interest rate on the long-term debt.
(4) The carrying value reflects the notional amount and the variable interest rate receivable is based on the market rate prevailing as of December 31, 2024. We measure our derivative instruments at fair value and, as of December 31, 2024, our interest rate swap was in an asset position.

Refer to Note 12: "Fair Value Measurements" in our consolidated financial statements for additional information on the fair value measurements of our long-term debt and interest rate swap.

Foreign Currency Exchange Rate Risk

We conduct business in various currencies and are exposed to earnings and cash flow volatility associated with changes in foreign currency exchange rates. Our principal exposure results from management and franchise fees earned in foreign currencies, as well as revenues and expenses from our international leased hotels. The value of these revenues and expenses could change materially in relation to the functional currencies of the exposed entities and to our reporting currency, USD. We also have exposure from our international financial assets and liabilities, including certain intercompany financing arrangements not deemed to be permanently invested, the value of which could change materially in relation to the functional currencies of the exposed entities.

We use foreign currency forward contracts designated as cash flow hedges to offset exposure from foreign currency exchange rate risks associated with certain of our management, franchise and other fees denominated in certain foreign currencies. We use foreign currency forward contracts not designated as hedging instruments to offset exposure to foreign currency exchange rate fluctuations in certain cash and intercompany loan balances. We do not consider the fair value or earnings effect of these foreign currency forward contracts to be material to our consolidated financial statements.

Item 8. Financial Statements and Supplementary Data

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Management's Report on Internal Control Over Financial Reporting

Management of Hilton Worldwide Holdings Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles ("GAAP"). The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets of the Company 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.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria established in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, management determined that the Company maintained effective internal control over financial reporting as of December 31, 2024.

Ernst & Young LLP (PCAOB ID: 42), the independent registered public accounting firm that has audited the consolidated financial statements included in this Annual Report on Form 10-K, has issued an attestation report on the Company's internal control over financial reporting as of December 31, 2024. The report is included herein.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Hilton Worldwide Holdings Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Hilton Worldwide Holdings Inc.'s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Hilton Worldwide Holdings Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, cash flows and noncontrolling interests and stockholders' equity (deficit) for each of the three years in the period ended December 31, 2024, and the related notes and our report dated February 6, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible 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 the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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.

/s/ Ernst & Young LLP

Tysons, Virginia
February 6, 2025

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Hilton Worldwide Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Hilton Worldwide Holdings Inc. (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, cash flows and noncontrolling interests and stockholders' equity (deficit) for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 6, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that 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. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate 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 consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Accounting for the Loyalty Program

Description of the Matter

The Company had deferred revenues of $1,032 million and a liability for guest loyalty program of $2,974 million as of December 31, 2024 associated with the Hilton Honors guest loyalty and marketing program (the "Loyalty Program"). As discussed in Note 2 to the consolidated financial statements, the Company has a performance obligation to provide or arrange for the provision of goods or services, for free or at a discount, to Hilton Honors members in exchange for the redemption of points earned through participation in the Loyalty Program. The consideration for the Loyalty Program is received from hotel properties or other program partners at the time points are earned by Hilton Honors members. Such amounts are recognized as revenue when the related point obligation is satisfied based upon the estimated standalone selling price per point in excess of the related cost per point.

Auditing the Loyalty Program is complex due to the complexity of models and high volume of data used to monitor and account for the Loyalty Program results.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process of accounting for the Loyalty Program during the year. For example, we tested controls over the accounting model and data used in recording revenue when Hilton Honors points are redeemed.

To test the recognition of revenue associated with the Loyalty Program, we performed audit procedures that included, among others, testing the clerical accuracy and consistency with US generally accepted accounting principles of the accounting model developed by the Company to recognize revenue associated with the Loyalty Program and testing significant inputs into the accounting model.

Accounting for Income Taxes

Description of the Matter

The Company recognized income tax expense of $244 million during the year ended December 31, 2024, and unrecognized tax benefits of $849 million as of December 31, 2024. As discussed in Note 2 to the consolidated financial statements, for all tax positions taken in a tax return, the Company will first determine whether it is more likely than not that a tax position will be sustained upon examination. If the Company determines that a position meets the more-likely-than-not recognition threshold, the benefit recognized in the financial statements is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement.

Auditing the accounting for income taxes is complex as a result of: (1) the judgment and estimation associated with both the identification and measurement of the Company's unrecognized tax benefits, including its evaluation of the technical merits related to matters for which no reserves or partial reserves have been recorded, and (2) the significant estimation associated with the measurement of unrecognized tax benefits outstanding as of the balance sheet date.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process of accounting for income taxes, including unrecognized tax benefits, during the year. For example, we tested management's controls over the review of tax positions taken by the Company to determine whether they met the threshold for recognition within the consolidated financial statements.

To test the recognition of the Company's unrecognized tax benefits and measurement of unrecognized tax benefits, we involved tax professionals with specialized skills and knowledge to assess the technical merits of the Company's tax positions and performed audit procedures that included, among others, evaluation of communications with relevant taxing authorities, evaluation of whether management appropriately considered new information that could significantly change the recognition, measurement or disclosure of the unrecognized tax benefits, and testing the assumptions used by management in estimating the valuation of any associated liability.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Tysons, Virginia
February 6, 2025

HILTON WORLDWIDE HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,301	$ 800
Restricted cash and cash equivalents	75	75
Accounts receivable, net of allowance for credit losses of $145 and $131	1,583	1,487
Prepaid expenses	193	131
Other	120	121
Total current assets (variable interest entities – $71 and $65)	3,272	2,614
Intangibles and Other Assets:		
Goodwill	5,035	5,052
Brands	4,990	4,846
Management and franchise contracts, net	1,235	1,064
Other intangible assets, net	194	173
Operating lease right-of-use assets	567	618
Property and equipment, net	411	382
Deferred income tax assets	318	140
Other	500	512
Total intangibles and other assets (variable interest entities – $100 and $112)	13,250	12,787
TOTAL ASSETS	$ 16,522	$ 15,401
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable, accrued expenses and other	$ 2,124	$ 1,979
Current maturities of long-term debt	535	39
Current portion of deferred revenues	664	502
Current portion of liability for guest loyalty program	1,377	1,202
Total current liabilities (variable interest entities – $51 and $50)	4,700	3,722
Long-term debt	10,616	9,157
Operating lease liabilities	735	808
Deferred revenues	1,300	1,132
Deferred income tax liabilities	322	401
Liability for guest loyalty program	1,597	1,530
Other	941	998
Total liabilities (variable interest entities – $110 and $137)	20,211	17,748
Commitments and contingencies – see Note 20		
Redeemable Noncontrolling Interests	17	—
Equity (Deficit):		
Common stock, $0.01 par value; 10,000,000,000 authorized shares, 241,806,421 outstanding as of December 31, 2024 and 253,488,288 outstanding as of December 31, 2023	3	3
Treasury stock, at cost; 94,087,917 shares as of December 31, 2024 and 80,807,049 shares as of December 31, 2023	(11,256)	(8,393)
Additional paid-in capital	11,130	10,968
Accumulated deficit	(2,822)	(4,207)
Accumulated other comprehensive loss	(782)	(731)
Total Hilton stockholders' deficit	(3,727)	(2,360)
Noncontrolling interests	21	13
Total deficit	(3,706)	(2,347)
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY (DEFICIT)	$ 16,522	$ 15,401

See notes to consolidated financial statements.

HILTON WORLDWIDE HOLDINGS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Year Ended December 31,		
	2024	**2023**	**2022**
Revenues			
Franchise and licensing fees	$ 2,600	$ 2,370	$ 2,068
Base and other management fees	369	342	294
Incentive management fees	290	274	196
Owned and leased hotels	1,255	1,244	1,076
Other revenues	232	178	102
	4,746	4,408	3,736
Other revenues from managed and franchised properties	6,428	5,827	5,037
Total revenues	11,174	10,235	8,773
Expenses			
Owned and leased hotels	1,126	1,141	999
Depreciation and amortization	146	147	162
General and administrative	415	408	382
Impairment losses	—	38	—
Other expenses	137	112	60
	1,824	1,846	1,603
Other expenses from managed and franchised properties	6,985	6,164	5,076
Total expenses	8,809	8,010	6,679
Gain on sales of assets, net	5	—	—
Operating income	2,370	2,225	2,094
Interest expense	(569)	(464)	(415)
Gain (loss) on foreign currency transactions	(12)	(16)	5
Loss on investments in unconsolidated affiliate	—	(92)	—
Other non-operating income (loss), net	(6)	39	50
Income before income taxes	1,783	1,692	1,734
Income tax expense	(244)	(541)	(477)
Net income	1,539	1,151	1,257
Net income attributable to redeemable and nonredeemable noncontrolling interests	(4)	(10)	(2)
Net income attributable to Hilton stockholders	$ 1,535	$ 1,141	$ 1,255
Earnings per share:			
Basic	$ 6.20	$ 4.36	$ 4.56
Diluted	$ 6.14	$ 4.33	$ 4.53
Cash dividends declared per share	$ 0.60	$ 0.60	$ 0.45

See notes to consolidated financial statements.

HILTON WORLDWIDE HOLDINGS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Year Ended December 31,		
	2024	**2023**	**2022**
Net income	$ 1,539	$ 1,151	$ 1,257
Other comprehensive income (loss), net of tax benefit (expense):			
Currency translation adjustment, net of tax of $13, $(4) and $22	(53)	8	(8)
Pension liability adjustment, net of tax of $(6), $1 and $18	22	(3)	(49)
Cash flow hedge adjustment, net of tax of $7, $10 and $(44)	(21)	(31)	130
Total other comprehensive income (loss)	(52)	(26)	73
Comprehensive income	1,487	1,125	1,330
Comprehensive income attributable to redeemable and nonredeemable noncontrolling interests	(3)	(9)	(2)
Comprehensive income attributable to Hilton stockholders	$ 1,484	$ 1,116	$ 1,328

See notes to consolidated financial statements.

HILTON WORLDWIDE HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31,		
	2024	**2023**	**2022**
Operating Activities:			
Net income	$ 1,539	$ 1,151	$ 1,257
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of contract acquisition costs	50	43	38
Depreciation and amortization expenses	146	147	162
Impairment losses	—	38	—
Gain on sales of assets, net	(5)	—	—
Loss (gain) on foreign currency transactions	12	16	(5)
Loss on investments in unconsolidated affiliate	—	92	—
Share-based compensation expense	176	169	162
Amortization of deferred financing costs and discounts	17	16	16
Deferred income taxes	(247)	(264)	34
Contract acquisition costs, net of refunds	(105)	(233)	(81)
Changes in operating assets and liabilities:			
Accounts receivable, net	(103)	(126)	(270)
Prepaid expenses	(67)	(27)	(21)
Other current assets	5	16	78
Accounts payable, accrued expenses and other	155	181	198
Change in deferred revenues	330	215	174
Change in liability for guest loyalty program	242	337	31
Change in other liabilities	(58)	284	(11)
Other	(74)	(109)	(81)
Net cash provided by operating activities	2,013	1,946	1,681
Investing Activities:			
Capital expenditures for property and equipment	(96)	(151)	(39)
Cash paid for acquisitions, net of cash acquired	(236)	—	—
Issuance of financing receivables	(15)	(22)	(46)
Payments received on financing receivables	7	—	2
Settlements of undesignated derivative financial instruments	(7)	(26)	79
Proceeds from asset dispositions	8	5	—
Capitalized software costs	(102)	(96)	(63)
Investments in unconsolidated affiliates	(5)	(15)	(53)
Other	—	—	(3)
Net cash used in investing activities	(446)	(305)	(123)
Financing Activities:			
Borrowings	2,283	609	23
Repayment of debt	(330)	(183)	(48)
Debt issuance costs	(32)	(20)	—
Dividends paid	(150)	(158)	(123)
Repurchases of common stock, including excise tax payments	(2,893)	(2,338)	(1,590)
Share-based compensation tax withholdings	(72)	(54)	(58)
Proceeds from share-based compensation	93	51	29
Settlements of interest rate swap with financing component	56	53	2
Net cash used in financing activities	(1,045)	(2,040)	(1,765)
Effect of exchange rate changes on cash, restricted cash and cash equivalents	(21)	(12)	(19)
Net increase (decrease) in cash, restricted cash and cash equivalents	501	(411)	(226)
Cash, restricted cash and cash equivalents, beginning of period	875	1,286	1,512
Cash, restricted cash and cash equivalents, end of period	$ 1,376	$ 875	$ 1,286

See notes to consolidated financial statements. For supplemental disclosures, see Note 21: "Supplemental Disclosures of Cash Flow Information."

HILTON WORLDWIDE HOLDINGS INC.
CONSOLIDATED STATEMENTS OF NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY (DEFICIT)
(in millions)

	Redeemable Noncontrolling Interests	Common Stock		Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
		Shares	Amount						
Balance as of December 31, 2021	$ —	279.1	$ 3	$ (4,443)	$ 10,720	$ (6,322)	$ (779)	$ 2	$ (819)
Net income	—	—	—	—	—	1,255	—	2	1,257
Other comprehensive income (loss), net of taxes:									
Currency translation adjustment	—	—	—	—	—	—	(8)	—	(8)
Pension liability adjustment	—	—	—	—	—	—	(49)	—	(49)
Cash flow hedge adjustment	—	—	—	—	—	—	130	—	130
Other comprehensive income	—	—	—	—	—	—	73	—	73
Dividends	—	—	—	—	—	(123)	—	—	(123)
Repurchases of common stock	—	(12.3)	—	(1,608)	—	—	—	—	(1,608)
Share-based compensation	—	1.1	—	11	111	—	—	—	122
Balance as of December 31, 2022	—	267.9	3	(6,040)	10,831	(5,190)	(706)	4	(1,098)
Net income	—	—	—	—	—	1,141	—	10	1,151
Other comprehensive income (loss), net of taxes:									
Currency translation adjustment	—	—	—	—	—	—	9	(1)	8
Pension liability adjustment	—	—	—	—	—	—	(3)	—	(3)
Cash flow hedge adjustment	—	—	—	—	—	—	(31)	—	(31)
Other comprehensive loss	—	—	—	—	—	—	(25)	(1)	(26)
Dividends	—	—	—	—	—	(158)	—	—	(158)
Repurchases of common stock[1]	—	(15.6)	—	(2,369)	—	—	—	—	(2,369)
Share-based compensation	—	1.2	—	16	137	—	—	—	153
Balance as of December 31, 2023[2]	—	253.5	3	(8,393)	10,968	(4,207)	(731)	13	(2,347)
Acquisition date fair value of redeemable noncontrolling interests	22	—	—	—	—	—	—	—	—
Net income (loss)	(5)	—	—	—	—	1,535	—	9	1,544
Other comprehensive income (loss), net of taxes:									
Currency translation adjustment	—	—	—	—	—	—	(52)	(1)	(53)
Pension liability adjustment	—	—	—	—	—	—	22	—	22
Cash flow hedge adjustment	—	—	—	—	—	—	(21)	—	(21)
Other comprehensive loss	—	—	—	—	—	—	(51)	(1)	(52)
Dividends	—	—	—	—	—	(150)	—	—	(150)
Repurchases of common stock[1]	—	(13.3)	—	(2,882)	—	—	—	—	(2,882)
Share-based compensation	—	1.6	—	19	162	—	—	—	181
Balance as of December 31, 2024[2]	$ 17	241.8	$ 3	$ (11,256)	$ 11,130	$ (2,822)	$ (782)	$ 21	$ (3,706)

(1) Amounts include excise tax of $25 million and $22 million for the years ended December 31, 2024 and 2023, respectively, as imposed by the Inflation Reduction Act of 2022.
(2) As of December 31, 2024 and 2023, 3.0 billion shares of preferred stock with a par value of $0.01 were authorized with no such shares issued.

See notes to consolidated financial statements.

Note 1: Organization

Hilton Worldwide Holdings Inc. (the "Parent," or together with its subsidiaries, "Hilton," "we," "us," "our" or the "Company"), a Delaware corporation, is one of the largest global hospitality companies and is engaged in managing, franchising, owning and leasing hotels and resorts, and licensing its intellectual property ("IP"), including brand names, trademarks and service marks.

Note 2: Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

These consolidated financial statements present the consolidated financial position of Hilton as of December 31, 2024 and 2023 and the results of operations for the years ended December 31, 2024, 2023 and 2022.

Principles of Consolidation

Our consolidated financial statements include the accounts of our wholly owned subsidiaries and other non-wholly owned entities in which we have a controlling financial interest, including variable interest entities ("VIEs") for which we are the primary beneficiary. Non-wholly owned entities in which we have a controlling financial interest primarily comprise majority owned entities that own or lease real estate.

The determination of a controlling financial interest is based upon the terms of the governing agreements of the respective entities, including the evaluation of rights held by third-party ownership interests. If the entity is considered to be a VIE, we evaluate whether we are the primary beneficiary and then consolidate those VIEs for which we have determined we are the primary beneficiary. If the entity in which we hold an interest does not meet the definition of a VIE, we evaluate whether we have a controlling financial interest through our voting interest in the entity, and, if we do, we consolidate the entity.

We hold interests in VIEs, for which we are not the primary beneficiary, that may provide us with the option to acquire an additional interest in such an entity at a predetermined amount, if certain contingent events occur. In a circumstance that we exercise or have the ability to exercise our option to acquire an additional interest in a VIE, we would reassess whether we are the primary beneficiary of the VIE. If we determine that we are the primary beneficiary of the VIE, we would be required to consolidate the total assets, liabilities and results of operations of the VIE on the date that we became the primary beneficiary. If such consolidation is required, the amounts may be material.

All material intercompany transactions and balances have been eliminated in consolidation. References in these financial statements to net income (loss) attributable to Hilton stockholders and Hilton stockholders' equity (deficit) do not include redeemable and nonredeemable noncontrolling interests, which represent the third-party ownership interests of our consolidated, non-wholly owned entities and are reported separately.

Use of Estimates

The preparation of financial statements in conformity with United States ("U.S.") generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported and, accordingly, ultimate results could differ from those estimates.

Summary of Significant Accounting Policies

Revenue Recognition

Revenues are primarily derived from: (i) fees earned from management and franchise contracts with third-party hotel owners; (ii) fees earned from license agreements with strategic partners, including co-branded credit card providers, third-party hotels we do not manage or franchise but that use our booking channels and related programs ("strategic partner hotels"), and Hilton Grand Vacations Inc. ("HGV"); and (iii) our owned and leased hotels. The majority of our performance obligations are promises to provide a series of distinct goods or services, for which we receive variable consideration through our management and franchise and licensing fees or fixed consideration through our owned and leased hotels. We allocate the variable fees to the

distinct services to which they relate applying the prescribed variable consideration allocation guidance, and we allocate fixed consideration to the related performance obligations based on their estimated standalone selling prices.

We do not adjust the promised amount of consideration for the effects of a significant financing component when it is our expectation, at contract inception, that the period between our transfer of a promised good or service to a customer and when the customer pays for that good or service will be twelve months or less, which it is in substantially all cases. Additionally, we do not typically include extended payment terms in our contracts with customers.

Management and franchise revenues

We identified the following performance obligations in connection with our management and franchise contracts:

- *IP licenses* grant the licensee the right to access our IP, including brand IP, reservations systems and property management systems.

- *Hotel management services* include providing day-to-day management services in the operation of the hotels for the hotel owners.

- *Development services* include providing consultative services (e.g., design assistance and contractor selection) to the third-party hotel owner to assist with the construction of the hotel prior to the hotel opening.

- *Pre-opening services* include providing services (e.g., advertising, budgeting, e-commerce strategies and food and beverage testing) to the third-party hotel owner to assist in preparing for the hotel opening.

- *Rewards from Hilton Honors, our guest loyalty program,* provide substantive rights for free or discounted goods or services to Hilton Honors members.

Each of the identified performance obligations is considered to be a series of distinct services transferred over time, except for the performance obligation related to rewards from Hilton Honors, which is satisfied at the point in time when a Hilton Honors point is redeemed by a Hilton Honors member. For the performance obligations other than rewards from Hilton Honors, while the underlying activities may vary from day to day, the nature of the commitments are the same each day, and the property owner can independently benefit from each day's services. Management and franchise fees are typically based on the sales or usage of the underlying hotel, with the exception of fixed upfront fees, which usually represent an insignificant portion of the transaction price.

Franchise and licensing fees represent fees earned in connection with the licensing of one of our brands, usually under a long-term contract with a hotel owner, as well as fees from license agreements for the use of our IP and/or booking channels and related programs, and include the following:

- *Royalty fees* are generally based on a percentage of the hotel's monthly gross room revenue and, in some cases, may also include a percentage of gross food and beverage revenues and other revenues, as applicable. These fees are typically billed and collected monthly, and revenue is generally recognized as services are provided.

- *Application, initiation and other fees* are charged when: (i) new hotels enter our system; (ii) there is a change of ownership of a hotel; or (iii) contracts with hotels already in our system are extended. These fees are typically fixed and collected upfront and are recognized as revenue over the term of the franchise contract. We do not consider this advance consideration to include a significant financing component, since it is used to protect us from the hotel owner failing to adequately complete some or all of its obligations under the contract, including establishing and maintaining the hotel in accordance with our standards.

- *Licensing fees* for the use of our IP and/or booking channels and related programs are earned from: (i) strategic partnerships, including from co-branded credit card arrangements, which are recognized as revenue when points for Hilton Honors are issued, generally as spend with the strategic partner or co-branded credit card provider occurs (see "—Hilton Honors" below for further discussion); (ii) strategic partner hotels, which are recognized as revenue in the period when the room stay occurs; and (iii) a license agreement with HGV for its timeshare business, which are typically billed monthly and recognized as revenue at the same time the fees are billed.

Management fees represent fees earned from hotels that we manage, usually under a long-term contract with a hotel owner, and include the following:

- *Base management fees* are generally based on a percentage of the hotel's monthly gross operating revenue. Base management fees are typically billed and collected monthly, and revenue is generally recognized as services are provided.

- *Incentive management fees* are generally based on a percentage of the hotel's operating profits, normally over a one-calendar year period (the "incentive period"), and, in some cases, may be subject to a stated return threshold to the hotel owner. Incentive management fee revenue is recognized on a monthly basis, but only to the extent the cumulative fee earned does not exceed the probable fee for the incentive period. Incentive management fee payment terms vary, but they are generally billed and collected monthly or annually upon completion of the incentive period.

Consideration paid or anticipated to be paid to incentivize hotel owners to enter into management and franchise contracts with us is amortized over the life of the applicable contract, generally including any extension periods that are at our sole option, as a reduction to base and other management fees and franchise and licensing fees, respectively.

We do not estimate revenues expected to be recognized related to our unsatisfied performance obligations for our:
(i) royalty fees, since they are considered sales-based royalty fees recognized as hotel room sales occur in exchange for licenses of our IP over the terms of the franchise contracts and (ii) other licensing fees, base management fees and incentive management fees since they are allocated entirely to the wholly unsatisfied promise to transfer IP or provide management services, respectively, which form part of a single performance obligation in a series, over the term of the individual contract.

Other revenues from managed and franchised properties represent amounts that are contractually reimbursed to us by property owners, either directly as costs are incurred or indirectly through monthly program fees related to certain costs and expenses supporting the operations of the related properties, and include the following:

- *Direct reimbursements* primarily include reimbursements received by us for payroll and related costs of managed hotels, if the managed hotel employees are legally employed by us. Direct reimbursements are contractually reimbursed to us by the property owners as expenses are incurred. We have no legal responsibility for the employee liabilities related to certain of our managed properties, predominately those located outside of the U.S., where we are not the legal employer, as well as the employees or the liabilities associated with operating franchised properties or strategic partner hotels. Revenue is recognized based on the amount of expenses incurred by Hilton, which are presented as other expenses from managed and franchised properties in our consolidated statement of operations, and results in no net effect on operating income (loss) or net income (loss). These amounts are reimbursed to us by the property owner at least on a monthly basis.

- *Indirect reimbursements* include reimbursements received by us for marketing and sales expenses and other expenses associated with our brand programs and shared services, which are reimbursed by program fees billed and collected from our managed and franchised properties and strategic partner hotels. Indirect reimbursements also include reimbursements for expenses incurred to operate the Hilton Honors program (see the "—Hilton Honors" below for additional information). Indirect reimbursements are typically billed and collected monthly, based on the underlying hotel's sales or usage (e.g., gross room revenue or number of reservations processed), and revenue is generally recognized as services are provided. System implementation fees charged to property owners are deferred and recognized as revenue over the term of the management or franchise contract. The expenses incurred by Hilton to operate the marketing, sales and brand programs and shared services as well as the Hilton Honors program are recognized as incurred and are presented as other expenses from managed and franchised properties in our consolidated statement of operations. If we collect amounts in excess of amounts expended, we have a commitment to spend these amounts on the related programs. Additionally, if we expend in excess of amounts collected, we have a contractual right to adjust future collections to recover prior period expenditures.

The management and franchise fees and reimbursements from third-party property owners are allocated to the performance obligations and the distinct services to which they relate using their estimated standalone selling prices. The terms of the fees earned under the contract relate to a specific outcome of providing the services (e.g., hotel room sales) or to Hilton's efforts (e.g., costs) to satisfy the performance obligations. Using time as the measure of progress, excluding revenue recognized for point redemptions, we recognize fee revenue and indirect reimbursements in the period earned per the terms of the contract and revenue related to direct reimbursements in the period in which the cost is incurred. For discussion on revenue recognition for point redemptions, refer to the "—Hilton Honors" below.

Owned and leased hotels revenues

We identified the following performance obligations in connection with our owned and leased hotels revenues, with such revenues recognized as the respective performance obligations are satisfied, which results in recognizing the amount we expect to be entitled to for providing the goods or services:

- *Cancellable room reservations or ancillary services* are typically satisfied as the good or service is transferred to the hotel guest, which is generally when the room stay occurs.

- *Noncancellable room reservations and banquet or conference reservations* represent a series of distinct goods or services provided over time and satisfied as each distinct good or service is provided, which is reflected by the duration of the reservation.

- *Substantive rights for free or discounted goods or services* are satisfied when the underlying free or discounted good or service is provided to the hotel guest.

- *Other ancillary goods and services* are purchased independently of the room reservation at standalone selling prices and are considered separate performance obligations, which are satisfied when the related good or service is provided to the hotel guest.

- *Components of package reservations* for which each component could be sold separately to other hotel guests are considered separate performance obligations and are satisfied as set forth above.

Owned and leased hotels revenues primarily consist of hotel room sales, revenues from accommodations sold in conjunction with other services (e.g., package reservations), food and beverage sales and sales of other ancillary goods and services (e.g., parking) related to consolidated owned and leased hotels. Revenue is recognized when a room stay occurs or goods and services have been provided. Payment terms typically align with when the goods and services are provided. A portion of owned and leased hotels revenues are deferred upon issuance of Hilton Honors points for Hilton Honors members' paid stay transactions, and revenue is recognized when Hilton Honors points are redeemed for a free or discounted stay at an owned or leased hotel (see "—Hilton Honors" below for additional information).

Although the transaction prices of hotel room sales, goods and other services are generally fixed and based on the respective room reservation or other agreement, an estimate to reduce the transaction price is required if a discount is expected to be provided to the customer. For package reservations, the transaction price is allocated to the performance obligations within the package based on the estimated standalone selling prices of each component. On occasion, the hotel may also provide the customer with a substantive right to a free or discounted good or service in conjunction with a room reservation or banquet contract (e.g., free breakfast or free room night for every four room nights reserved). This substantive right is considered a separate performance obligation to which a portion of the transaction price is allocated based on the estimated standalone selling price of the good or service, adjusted for the likelihood the hotel guest will exercise such right. Revenue is recognized when the substantive right to a free or discounted good or service is redeemed.

Other revenues

Other revenues primarily includes revenues generated by our purchasing operations for our owned, leased, managed and franchised hotels, as well as from properties outside of our system that participate in our purchasing programs. Purchasing revenues include any amounts we expect to retain for vendor rebate arrangements related to purchases made directly by managed and franchised properties, as well as properties outside of our system, through our purchasing programs.

Taxes and fees collected on behalf of governmental agencies

We are required to collect certain taxes and fees from customers on behalf of governmental agencies and remit these back to the applicable governmental agencies on a periodic basis. We have a legal obligation to act as a collection agent. We do not retain these taxes and fees, and, therefore, they are not included in our measurement of transaction prices. We have elected to present revenue net of sales taxes and other similar taxes. We record a liability when the amounts are collected and relieve the liability when payments are made to the applicable taxing authority or other appropriate governmental agency.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include cash balances established as collateral for certain guarantees and insurance, including self-insurance and furniture, fixtures and equipment replacement ("FF&E") reserves required under certain lease agreements.

Accounts Receivable

Our accounts receivable primarily consist of amounts due from the property owners with whom we have management and franchise contracts, including the reimbursements due to us for amounts that we have incurred on behalf of our managed and franchised properties.

Allowance for Credit Losses

An allowance for credit losses is provided on our financial instruments, primarily accounts receivable and notes receivable, which are included in other current assets and other assets in our consolidated balance sheet. Expected credit losses on off-balance-sheet commitments, such as guarantees, letters of credit and financing commitments are typically included in other long-term liabilities in our consolidated balance sheet. Our expected credit losses are based on historical collection activity, the nature of the financial instrument, geographic considerations, current and forecasted business conditions and, in the case of off-balance-sheet commitments, the probability that funding will be required.

Goodwill

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. In connection with the 2007 transaction whereby we became a wholly owned subsidiary of affiliates of Blackstone Inc. (the "Merger"), we recorded goodwill representing the excess purchase price over the fair value of the identified assets and liabilities.

We do not amortize goodwill, but rather evaluate goodwill for potential impairment on an annual basis or at other times during the year if indicators of impairment exist. Our reporting units are the same as our operating segments as described in Note 19: "Business Segments." When we evaluate goodwill for potential impairment, generally, we first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If we determine qualitatively that it is more likely than not that the fair value of a reporting unit is less than its carrying value, or if we decide to bypass the qualitative assessment, we perform a quantitative analysis. The quantitative analysis is used to identify both the existence of impairment and the amount of the impairment loss by comparing the estimated fair value of a reporting unit to its carrying value, including goodwill. The estimated fair value is based on forward-looking estimates of performance and cash flows of our reporting units, which are based on historical operating results, adjusted for current and expected future market conditions, as well as various internal projections and external sources. If the carrying value of the reporting unit exceeds its estimated fair value, an impairment loss would be recognized in our consolidated statement of operations in an amount equal to the excess of the carrying value over the estimated fair value, limited to the total amount of goodwill allocated to that reporting unit.

As of December 31, 2024 and 2023, our goodwill balance was only attributable to our management and franchise reporting unit, which had no accumulated impairment losses as of either date. The changes in our goodwill balances during the years ended December 31, 2024 and 2023 were due to foreign currency translation.

Brands

Brands intangible assets were initially recorded at their fair value at the time of the Merger for the portfolio of brands that existed at the time of the Merger, using the relief-from-royalty valuation approach for owned and leased hotels and the multi-period excess earnings method for managed and franchised hotels. During the year ended December 31, 2024, we recorded brands intangible assets related to the acquisition of the Graduate brand and NoMad brand (refer to Note 3: "Acquisitions" for additional information). The fair value of the Graduate brand intangible asset was determined on a relative fair value basis and

the fair value of the NoMad brand intangible asset was determined using the multi-period excess earnings method. There are no legal, regulatory, contractual, competitive, economic or other factors that limit the useful lives of these brands, and, accordingly, the useful lives of these brands are considered to be indefinite. A portion of our brands intangible assets are denominated in foreign currencies and, as such, a period over period change in these assets is attributable to fluctuations in foreign currency exchange rates.

We evaluate our indefinite-lived brands intangible assets for impairment on an annual basis or at other times during the year if indicators of impairment exist. When we evaluate our brands intangible assets for potential impairment, generally, we first perform a qualitative assessment to determine whether it is more likely than not that the fair value of the asset is less than its carrying value. If we determine qualitatively that the fair value of the asset is more likely than not less than its carrying value, or if we decide to bypass the qualitative assessment, we perform a quantitative analysis. The estimated fair value of the brands intangible assets are based on forward-looking estimates of performance and cash flows of each respective brand, which are based on historical operating results, adjusted for current and expected future market conditions as well as various internal projections and external sources. If the carrying value of a brand intangible asset exceeds its estimated fair value, an impairment loss would be recognized in our consolidated statement of operations in an amount equal to the excess of the carrying value over the estimated fair value.

Intangible Assets with Finite Useful Lives

We capitalize consideration paid to incentivize hotel owners to enter into management and franchise contracts with us as contract acquisition costs and the incremental costs to obtain the contracts as development commissions and other, both of which are generally fixed. We also capitalize costs incurred to develop internal-use computer software and costs to acquire software licenses, as well as internal and external costs incurred in connection with the development of upgrades or enhancements that result in additional information technology functionality. During the year ended December 31, 2024, we recorded franchise contract intangible assets and management contract intangible assets related to the acquisitions of the Graduate brand and NoMad brand, respectively (refer to Note 3: "Acquisitions" for additional information). Additionally, certain finite-lived intangible assets were initially recorded at their fair value at the time of the Merger. As of January 1, 2022, the only remaining finite-lived intangible assets resulting from the Merger related to leases, international management contracts and our Hilton Honors guest loyalty program. The assets related to the international management contracts and Hilton Honors, which both had useful lives of 16 years, were fully amortized during the year ended December 31, 2023.

Intangible assets with finite useful lives are amortized using the straight-line method over their respective estimated useful lives, which for contract acquisition costs and development commissions and other is the contract term, generally including any extension periods that are at our sole option. The estimated useful lives of our finite-lived intangible assets are generally as follows: (i) management contract acquisition costs and development commissions and other (20 to 30 years); (ii) franchise contract acquisition costs and development commissions and other (10 to 20 years); (iii) leases (17 to 35 years); (iv) Graduate brand franchise contract intangible assets and NoMad brand management contract intangible assets acquired in 2024 (9 to 15 years); and (v) capitalized software costs (3 years). In our consolidated statement of operations, the amortization of these intangible assets, excluding contract acquisition costs, is included in depreciation and amortization expenses and the amortization of contract acquisition costs is recognized as a reduction to franchise and licensing fees or base and other management fees, depending on the contract type. Costs incurred prior to the acquisition of a contract, such as external legal costs, are expensed as incurred and included in general and administrative expenses in our consolidated statement of operations. Cash flows for contract acquisition costs and development commissions and other are included as operating activities in our consolidated statement of cash flows, and cash flows for capitalized software costs and management and franchise contract intangible assets acquired are included as investing activities.

We evaluate the carrying value of all finite-lived intangible assets for indicators of impairment, and, if such indicators exist, we perform an analysis to determine the recoverability of the asset group by comparing the expected undiscounted future cash flows to the net carrying value of the asset group. If the carrying value of the asset group is not recoverable and it exceeds the estimated fair value of the asset group, we recognize an impairment loss in our consolidated statement of operations for the amount by which the carrying value exceeds the estimated fair value. We allocate the impairment loss related to the asset group among the various assets within the asset group pro rata based on the relative carrying values of the respective assets.

Property and Equipment

Property and equipment are recorded at cost. Costs of improvements that extend the economic life or improve service potential are also capitalized. Capitalized costs are depreciated over their estimated useful lives. Costs for normal repairs and

maintenance are expensed as incurred. Right-of-use ("ROU") assets of finance leases are included in property and equipment, net in our consolidated balance sheet; see "— Leases" below for additional information.

Depreciation is recorded using the straight-line method over the assets' estimated useful lives, which are generally: (i) 8 to 40 years for buildings and improvements; (ii) 3 to 8 years for furniture and equipment; and (iii) 3 to 5 years for computer equipment. Leasehold improvements are depreciated over the shorter of the estimated useful life, based on the estimates above, or the remaining lease term.

We evaluate the carrying value of our property and equipment for indicators of impairment, and, if such indicators exist, we perform an analysis to determine the recoverability of the asset group by comparing the estimated undiscounted future cash flows to the net carrying value of the asset group. If the carrying value of the asset group is not recoverable and it exceeds the estimated fair value of the asset group, we recognize an impairment loss in our consolidated statement of operations for the amount by which the carrying value exceeds the estimated fair value. We allocate the impairment loss related to the asset group among the various assets within the asset group pro rata based on the relative carrying values of the respective assets.

Leases

We determine if a contract is or contains a lease at the inception of the contract, and we classify that lease as a finance lease if it meets certain criteria or as an operating lease when it does not. We reassess if a contract is or contains a lease upon modification of the contract. For contracts in which we are the lessee that contain fixed payments for both lease and non-lease components, we have elected to account for these components as a single lease component.

At the commencement date of a lease, we recognize a lease liability for future fixed lease payments and a ROU asset representing our right to use the underlying asset during the lease term. The lease liability is initially measured as the present value of the future fixed lease payments that will be made over the lease term. The lease term includes lessor options to renew the lease within the lessor's control and lessee options to extend the lease and periods occurring after a lessee early termination option, only to the extent it is reasonably certain that we will exercise such extension options and not exercise such early termination options, respectively. The future fixed lease payments are discounted using the rate implicit in the lease, if available, or our incremental borrowing rate. Current and long-term portions of operating lease liabilities are classified as accounts payable, accrued expenses and other and operating lease liabilities, respectively, and current and long-term portions of finance lease liabilities are classified as current maturities of long-term debt and long-term debt, respectively, in our consolidated balance sheet.

The ROU asset is measured as the amount of the lease liability with adjustments, if applicable, for lease prepayments made prior to or at lease commencement, initial direct costs incurred by us, deferred rent and lease incentives. In our consolidated balance sheet, ROU assets of operating leases are included in operating lease right-of-use assets and ROU assets of finance leases are included in property and equipment, net. We evaluate the carrying value of our ROU assets for indicators of impairment, and, if such indicators exist, we perform an analysis to determine the recoverability of the asset group by comparing the estimated undiscounted future cash flows to the net carrying value of the asset group. If the carrying value of the asset group is not recoverable and it exceeds the estimated fair value of the asset group, we recognize an impairment loss in our consolidated statement of operations for the amount by which the carrying value exceeds the estimated fair value. We allocate the impairment loss related to an asset group among the various assets within the asset group pro rata based on the relative carrying values of the respective assets.

Depending on the individual agreement, our operating leases may require: (i) fixed lease payments as contractually stated in the lease agreement; (ii) variable lease payments, which, for our hotels, are generally based on a percentage of the hotel's revenues or profits or result from changes in inflationary indices; or (iii) lease payments equal to the greater of the fixed or variable lease payments. In addition, during the term of our hotel leases, we may be required to pay some, or all, of the capital costs for FF&E and leasehold improvements in the hotel property. For operating leases, lease expense relating to fixed payments is recognized on a straight-line basis over the lease term, and lease expense related to variable payments is expensed as incurred, with amounts recognized in owned and leased hotels expenses, general and administrative expenses and other expenses from managed and franchised properties in our consolidated statement of operations. For operating leases for which the ROU asset has been impaired, the periodic lease expense is determined as the sum of (i) the amortization of any remaining ROU asset on a straight-line basis over the remaining term of the lease and (ii) the accretion of the lease liability based on the discount rate applied to the lease liability. For finance leases, the amortization of the ROU asset is recognized over the shorter of the lease term or useful life of the underlying asset within depreciation and amortization expenses and other expenses from managed and franchised properties in our consolidated statement of operations. The interest expense related to finance leases, including any variable lease payments, is recognized in interest expense in our consolidated statement of operations.

Contract Liabilities

Contract liabilities primarily relate to: (i) amounts received when points are issued for the Hilton Honors program, but for which revenue is not yet recognized, since the related points are not yet redeemed; and (ii) advance consideration received from hotel owners for services considered to be part of the contract's performance obligations, such as application, initiation and other fees and system implementation fees. Contract liabilities related to amounts received for points issued for the Hilton Honors program are recognized as revenue when the points are redeemed for a free or discounted good or service by the Hilton Honors member. Contract liabilities related to advance consideration received from hotel owners are recognized ratably as revenue over the term of the related contract. Contract liabilities are included in current and long-term deferred revenues in our consolidated balance sheet, with the current portion based on our estimates of the amounts that will be recognized in the next twelve months.

Redeemable Noncontrolling Interests

Noncontrolling interests with redemption features that are not solely within our control are considered redeemable noncontrolling interests. The redeemable noncontrolling interests are a component of temporary equity and are reported between liabilities and equity (deficit) in our consolidated balance sheet. At each reporting period, the redeemable noncontrolling interests are recognized at the higher of (i) the initial carrying amount, adjusted for accumulated earnings (losses), contributions and distributions, or (ii) the redemption value as of the balance sheet date. We include both the earnings (losses) for the period attributable to redeemable noncontrolling interests and any adjustment to the carrying value of redeemable noncontrolling interests as a result of a change in the redemption value in net income attributable to redeemable and nonredeemable noncontrolling interests in our consolidated statement of operations.

Hilton Honors

Hilton Honors is our guest loyalty program, and substantially all of our properties participate in the program. Hilton Honors members earn points based on their spend at our participating properties and through participation in affiliated strategic partner programs, including co-branded credit card arrangements. When points are earned by Hilton Honors members, they are provided with a substantive right to free or discounted goods or services in the future upon accumulation of the required number of points. Points may be redeemed for a stay at participating properties, as well as for other goods and services from third parties, including, but not limited to, airlines, car rentals, cruises, vacation packages, shopping and dining.

As points are issued to a Hilton Honors member, the property or strategic partner pays Hilton based on the member's spend at the property or with the strategic partner. The amounts charged are equal to the estimated cost of operating the program, which includes marketing, promotion, communication and administrative expenses, as well as the estimated cost of reward redemptions. When we receive payments related to the issuance of points, we record amounts equal to the estimated cost per point of the future redemption obligation within liability for guest loyalty program and any amounts received in excess of the estimated cost per point within deferred revenues in our consolidated balance sheet. For the Hilton Honors fees that are charged to the participating properties, we allocate such fees to the substantive right created by the points that are issued using the variable consideration allocation guidance, since the fees are directly related to the issuance of points to the Hilton Honors member and Hilton's efforts to satisfy the future redemption of those points. We engage third-party actuaries annually to assist in determining the estimated cost per point of the future reward redemption obligation using a discount rate and statistical formulas that project future point redemptions based on our historical experience and future expectations. Factors used in the estimate include: (i) an estimate of points that will eventually be redeemed, which includes an estimate of breakage (i.e., points that will never be redeemed), (ii) an estimate of when such points will be redeemed and (iii) an estimate of the cost of reimbursing managed and franchised properties and other third parties for redemptions. When a Hilton Honors member stays and earns points at an owned or leased hotel, we recognize a portion of the revenues associated with that stay in owned and leased hotels revenues, with the remaining portion recorded in liability for guest loyalty program and deferred revenues until the points are redeemed. We estimate the current portions of our liability for guest loyalty program and Hilton Honors deferred revenues based on the total point redemptions and, for the liability for guest loyalty program, also breakage that is expected to occur within the next 12 months; these amounts are presented as current portion of liability for guest loyalty program and current portion of deferred revenues in our consolidated balance sheet.

The transaction prices for the Hilton Honors points issued are reduced by the expected payments to the managed and franchised properties and other third parties that will provide the free or discounted good or service using the actuarial projection of the cost per point. The remaining transaction price is then further allocated to the points that are expected to be redeemed, which is determined by adjusting the points that are issued for estimated breakage, and recognized when those points are redeemed. While the points are outstanding, both the estimate of the expected payments to third parties (i.e., cost per point

redeemed) and the estimated breakage are reevaluated. The combined estimate yields the amount of revenue that will be recognized when our point obligation is satisfied and is adjusted so that the final amount allocated to the substantive right of the Hilton Honors member to redeem their points for free or discounted goods and services is reflective of the amount retained by Hilton after the cost of providing the free or discounted goods and services.

We also earn licensing fees from strategic partnerships, including co-branded credit card arrangements (see "—Management and franchise revenues" within "—Revenue Recognition" above). The consideration received is allocated based on the estimated standalone selling prices between two performance obligations: (i) an IP license using the relief-from-royalty valuation method; and (ii) substantive rights for free or discounted goods or services to the Hilton Honors members using a discounted cash flow analysis adjusted for an appropriate margin.

We satisfy our performance obligation related to the IP license over time as the strategic partner simultaneously receives and consumes the benefits of the goods or services provided, and we satisfy our performance obligation related to points issued under the Hilton Honors program when points are redeemed for a free or discounted good or service by the Hilton Honors members. Hilton reimburses managed and franchised properties and other third parties when points are redeemed by Hilton Honors members for stays at the participating properties or for other goods or services from the third-party providers, respectively, at which time the redemption obligation is reduced and the related deferred revenue is recognized in other revenues from managed and franchised properties in our consolidated statement of operations. Additionally, when Hilton Honors members redeem points for a free or discounted stay at our owned and leased hotels, we recognize room revenue, included in owned and leased hotels revenues in our consolidated statement of operations.

Fair Value Measurements – Valuation Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (i.e., an exit price). We use the three-level valuation hierarchy for classification of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our own assumptions about the data market participants would use in pricing the asset or liability developed based on the best information available to us in the specific circumstances. The three-tier hierarchy of inputs is summarized below:

- Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.
- Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The classification of assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement in its entirety. Proper classification of fair value measurements within the valuation hierarchy is considered each reporting period. The use of different market assumptions or estimation methods may have a material effect on the estimated fair value amounts.

Estimates of the fair values of our financial instruments and nonfinancial assets are determined using available market information and appropriate valuation methods. Considerable judgment is necessary to interpret market data and develop the estimated fair values and the classification within the valuation hierarchy. We have not elected the fair value measurement option for any of our financial assets or liabilities.

Derivative Instruments

We use derivative instruments as part of our overall strategy to manage our exposure to market risks associated with fluctuations in interest rates and foreign currency exchange rates. We regularly monitor the financial stability and credit standing of the counterparties to our derivatives. We do not enter into derivatives for speculative purposes.

We record all derivatives at fair value. On the date the derivative contract is entered into, we may designate the derivative as a hedging instrument, and, if so, we formally document all relationships between hedging activities, including the risk

management objective and strategy for undertaking various hedge transactions. We generally enter into cash flow hedges (i.e., a hedge of a specific forecasted transaction or the variability of cash flows to be paid), and, in the past, we also entered into net investment hedges (i.e., a hedge of an investment in a foreign operation). Changes in the fair value of a derivative that is qualified and designated as a cash flow hedge or net investment hedge are recorded in other comprehensive income (loss) in our consolidated statement of comprehensive income (loss) until they are reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. If we do not specifically designate a derivative as a cash flow hedge or another type of hedging instrument, changes in the fair value of the undesignated derivative are reported in current period earnings. Cash flows from designated derivatives are classified within the same category as the item being hedged in the consolidated statement of cash flows, while cash flows from undesignated derivatives are included as an investing activity.

We perform an initial prospective assessment of hedge effectiveness on a quantitative basis between the inception date and the earlier of the first quarterly hedge effectiveness date or the issuance of the financial statements that include the hedged transaction. On a quarterly basis, we assess the effectiveness of our designated derivatives in offsetting the variability in the cash flows using a statistical method. This method compares the cumulative change in fair value of each designated derivative to the cumulative change in fair value of a hypothetical derivative, which has terms that identically match the critical terms of the respective hedged transactions, and therefore is presumed to perfectly offset the hedged cash flows. Ineffectiveness results when the cumulative change in the fair value of the designated derivative exceeds the cumulative change in the fair value of the hypothetical derivative. We would discontinue hedge accounting prospectively when the derivative is no longer highly effective as a hedge, the underlying hedged transaction is no longer probable, the hedging instrument expires, is sold, terminated or exercised or if we voluntarily choose to do so.

Currency Translation

The U.S. dollar ("USD") is our reporting currency and is the functional currency of our entities operating in the U.S. The functional currency for our entities operating outside of the U.S. is the currency of the primary economic environment in which the respective entity operates, unless it is considered a highly inflationary economy in which case the functional currency of that entity is the reporting currency of its immediate parent. Assets and liabilities measured in foreign currencies are translated into USD at the prevailing foreign currency exchange rates in effect as of the financial statement date and the related gains and losses, net of applicable deferred income taxes, are reflected in accumulated other comprehensive income (loss) in our consolidated balance sheet. Income and expense accounts are translated at the average foreign currency exchange rate for the period. Gains and losses from foreign currency exchange rate changes related to transactions denominated in a currency other than an entity's functional currency or intercompany receivables and payables denominated in a currency other than an entity’s functional currency that are not of a long-term investment nature are recognized within gain (loss) on foreign currency transactions in our consolidated statement of operations. Where certain specific evidence indicates intercompany receivables and payables will not be settled in the foreseeable future and are of a long-term nature, gains and losses from foreign currency exchange rate changes are recognized as currency translation adjustment within other comprehensive income (loss) in our consolidated statement of comprehensive income (loss).

Insurance

We are self-insured for losses up to our third-party insurance deductibles for domestic general liability, auto liability, workers' compensation, employment practices liability and crime insurance at our owned, leased and managed hotels that participate in our insurance programs, in addition to other corporate related coverages. We are also self-insured for health coverages for some of our U.S. and Puerto Rico employees, which include those working at our corporate operations and managed hotels, with purchased insurance protection for costs over specified thresholds. In addition, through our captive insurance subsidiary, we participate in reinsurance arrangements that provide coverage and/or act as a financial intermediary for claim payments on our self-insurance program. These obligations and reinsurance arrangements can cause timing differences in the recognition of assets, liabilities, gains and losses between reporting periods, although we expect these amounts to ultimately offset when the related claims are settled. Our insurance reserves are accrued based on the estimated ultimate cost to us of claims that occurred during the covered period, which includes claims incurred but not reported, for which we will be responsible. These estimates are prepared with the assistance of third-party actuaries and consultants. The ultimate cost of claims for a covered period are reviewed at least annually, or more frequently as circumstances dictate, and are adjusted based on the latest information available to us, which may differ from our original estimates.

Share-Based Compensation

Our share-based compensation primarily consists of awards that we grant to eligible employees under the Hilton 2017 Omnibus Incentive Plan (the "2017 Plan") and includes time-vesting restricted stock units ("RSUs"), nonqualified stock options ("options") and performance-vesting RSUs ("performance shares") to our eligible employees:

- *RSUs* vest in equal annual installments over two or three years from the date of grant. Vested RSUs generally will be settled for the Company's common stock, with the exception of certain awards that will be settled in cash. The grant date fair value per share is equal to the closing stock price on the date of grant.

- *Options* vest in equal annual installments over three years from the date of grant and terminate 10 years from the date of grant or earlier if the individual's service terminates under certain circumstances. The grant date fair value per share is estimated using the Black-Scholes-Merton option-pricing model. The exercise price is equal to the closing stock price on the date of grant. Upon the exercise of stock options, new shares of our common stock are issued.

- *Performance shares* vest three years from the date of grant based on a set of specified performance measures over a defined performance period. Vested performance shares generally will be settled for the Company's common stock, with the exception of certain awards that will be settled in cash. The grant date fair value is equal to the closing stock price on the date of grant. The total number of performance shares that vest related to each performance measure is based on an achievement factor that ranges from zero percent to 200 percent, with 100 percent being the target.

We recognize these share-based payment transactions when services from the employees are rendered and recognize either a corresponding increase in additional paid-in capital or accounts payable, accrued expenses and other in our consolidated balance sheet, depending on whether the instruments granted satisfy the equity or liability classification criteria, respectively. The measurement objective for these equity awards is the estimated fair value at the date of grant of the equity instruments that we are obligated to issue when employees have rendered the requisite service and satisfied any other conditions necessary to earn the right to benefit from the instruments. The compensation expense for an award classified as an equity instrument is recognized ratably over the requisite service period, which is the period during which an employee is required to provide service in exchange for an award. Liability awards are measured based on the award's estimated fair value, and the fair value is remeasured at each reporting date until the date of settlement. For such liability awards, compensation expense for each period until settlement is based on the change (or a portion of the change, depending on the percentage of the requisite service that has been rendered as of the reporting date) in the fair value of the instrument for each reporting period. Compensation expense for awards with a performance condition is dependent on the expected achievement percentage of such awards, which is reassessed each reporting period from the date of grant through the vesting date of such performance awards, and is recognized over the requisite service period if it is probable that the performance condition will be satisfied. If such performance conditions are not or are no longer considered probable to be satisfied, no compensation expense for these awards is recognized, and any previously recognized expense related to awards that are determined to be improbable of achievement is reversed. Additionally, we have a retirement provision whereby the vesting date for eligible participants is accelerated based on certain criteria, and we recognize total compensation expense for these awards through the accelerated vesting date. We recognize forfeitures of share-based compensation awards as they occur. Share-based compensation expense is recognized in owned and leased hotels expenses, general and administrative expenses and other expenses from managed and franchised properties in our consolidated statement of operations.

Income Taxes

We account for income taxes using the asset and liability method. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and to recognize the deferred tax assets and liabilities that relate to tax consequences in future years, which result from differences between the respective tax basis of assets and liabilities and their financial reporting amounts and tax attribute carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates in effect for the year in which the respective temporary differences or tax attribute carryforwards are expected to be recovered or settled. The realization of deferred tax assets is contingent upon the generation of future taxable income and other restrictions that may exist under the tax laws of the jurisdiction in which a deferred tax asset exists. Valuation allowances are provided to reduce such deferred tax assets to amounts more likely than not to be ultimately realized.

We are taxed on global intangible low-tax income ("GILTI") earned by certain foreign subsidiaries. We recognize the current tax on GILTI as an expense in the period the tax is incurred.

We use a prescribed more-likely-than-not recognition threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return if there is uncertainty in income taxes recognized in the consolidated financial statements. For all income tax positions, we first determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of each evaluated tax position and the amounts we would ultimately accept in a negotiated settlement with tax authorities. If it is determined that a position meets the more-likely-than-not recognition threshold, the benefit recognized in the financial statements is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement.

Loss Contingencies

We are involved in various claims and lawsuits arising in the ordinary course of business, the outcomes of which are subject to significant uncertainty. An estimated loss from a loss contingency will be accrued as a charge to income if it is probable a loss has been incurred and the amount of the loss can be reasonably estimated.

Acquisitions

We make certain judgments to determine whether a transaction should be accounted for as a business combination or an asset acquisition. These judgments include the assessment of the inputs, processes and outputs associated with an acquired set of activities and whether the fair value of total assets acquired is concentrated to a single identifiable asset or group of similar assets. We account for a transaction as a business combination when the assets acquired include inputs and one or more substantive processes that, together, significantly contribute to the ability to create outputs and substantially all of the total fair value of the assets acquired is not concentrated to a single identifiable asset or group of similar assets. Otherwise, we account for the transaction as an asset acquisition.

We account for acquisitions that meet the definition of a business combination using the acquisition method of accounting whereby the identifiable assets acquired and liabilities assumed, as well as any noncontrolling interests in the acquired business, are recorded at their estimated fair values at the acquisition date, with any excess purchase price over the fair value of the net assets acquired recorded as goodwill. In business combinations, the purchase price allocations may be based on preliminary estimates and assumptions and, accordingly, during the measurement period, which is up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed. Any such measurement period adjustments are recognized during the period in which the amount of the adjustment is determined generally with a corresponding offset to goodwill or gain on bargain purchase. We recognize any adjustments subsequent to the measurement period in our consolidated statement of operations. We expense transaction costs related to business combinations as incurred. We record the net assets and results of operations of an acquired entity in our consolidated financial statements from the acquisition date.

In determining the fair values of assets acquired and liabilities assumed in a business combination, we use various recognized valuation methods including present value modeling and referenced market values, where available. Further, we make assumptions within certain valuation methods including discount rates and timing of future cash flows. Valuations are performed by external valuation professionals with skills and qualifications under management's supervision. We believe the estimated fair values assigned to the assets acquired and liabilities assumed are based on assumptions that market participants would use. However, such assumptions are inherently uncertain and actual results may differ from those estimates.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. We allocate the cost of the acquisition, including direct and incremental transaction costs, to the individual assets acquired and liabilities assumed based on their relative fair values. We do not recognize any goodwill in an asset acquisition.

Recently Issued Accounting Pronouncements

Adopted Accounting Standards

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07 ("ASU 2023-07"), *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,* which requires, among other things, the following: (i) enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included in a segment's reported measure of profit or loss; (ii) disclosure of the amount and description of the composition of other segment items, as defined in ASU 2023-07, by reportable segment; (iii) disclosure about how the CODM uses segment profitability measures to make resource allocation decisions; and (iv) reporting the disclosures about each reportable segment's profit or loss and assets on an annual and interim basis. We

adopted the provisions of ASU 2023-07 as of January 1, 2024, which resulted in additional disclosures in the notes to our consolidated financial statements that we applied retrospectively to all prior periods presented.

Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which requires, among other things, the following for public business entities: (i) enhanced disclosures of specific categories of reconciling items included in the rate reconciliation, as well as additional information for any of these items meeting certain qualitative and quantitative thresholds; (ii) disclosure of the nature, effect and underlying causes of each individual reconciling item disclosed in the rate reconciliation and the judgment used in categorizing them if not otherwise evident; and (iii) enhanced disclosures for income taxes paid, which includes federal, state, and foreign taxes, as well as for individual jurisdictions over a certain quantitative threshold. The amendments in ASU 2023-09 eliminate the requirement to disclose the nature and estimate of the range of the reasonably possible change in unrecognized tax benefits for the 12 months after the balance sheet date. The provisions of ASU 2023-09 are effective for annual periods beginning after December 15, 2024; early adoption is permitted. We expect ASU 2023-09 to require additional disclosures in the notes to our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03 ("ASU 2024-03"), *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* which requires, among other things, the following for public business entities: (i) tabular disclosure of amounts for the following categories that are included in each expense caption within continuing operations on the statement of operations, with each expense caption that includes one of these expense categories deemed a relevant expense caption: (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization and (e) depreciation, depletion, and amortization recognized as part of oil-and gas-producing activities; (ii) disclosure of certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements; (iii) qualitative description of the amount remaining in relevant expense captions that are not separately disaggregated quantitatively; and (iv) disclosure of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The provisions of ASU 2024-03 are effective for annual periods beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027; early adoption is permitted. Entities must apply the updates in ASU 2024-03 prospectively and are permitted to apply the updates retrospectively. We expect ASU 2024-03 to require additional disclosures in the notes to our consolidated financial statements.

Note 3: Acquisitions

Graduate by Hilton

In May 2024, we completed the acquisition of the Graduate brand for a total purchase price of $210 million, $200 million of which we paid in cash upon closing. The remaining amount was included in accounts payable, accrued expenses and other in our consolidated balance sheet as of December 31, 2024 and will be paid upon the satisfaction of certain conditions by the seller, which are expected to occur within the next 12 months. We accounted for the transaction as an asset acquisition. On the date of the acquisition, we added 32 existing properties located in the U.S. and United Kingdom ("U.K.") to our franchise portfolio.

We allocated the cost of the acquisition, including transaction costs, to the assets acquired on a relative fair value basis. As a result, we recorded an indefinite-lived brand intangible asset of approximately $122 million and franchise contract intangible assets of approximately $91 million. The franchise contract intangible assets will be amortized over an estimated useful life of 15 years to depreciation and amortization expenses in our consolidated statements of operations.

The results of operations related to the Graduate brand, which did not have a material impact on our operating results for the year ended December 31, 2024, were included in the consolidated financial statements for the period from the date of acquisition to December 31, 2024.

NoMad

In April 2024, we acquired a controlling financial interest in both Sydell Hotels & Resorts, LLC and Sydell Holding Company UK Ltd (collectively, the "Sydell Group"), which owns the NoMad brand. We accounted for the transaction as a business combination and recognized the fair value, which included measurement period adjustments made subsequent to the acquisition date, of an indefinite-lived brand intangible asset of approximately $48 million and management contract intangible

assets, with an aggregate fair value of approximately $8 million. The management contract intangible assets will be amortized over a weighted average estimated useful life of approximately 14 years to depreciation and amortization expenses in our consolidated statements of operations.

We measured the net assets acquired at fair value as of the date of acquisition. The fair values of the respective net assets acquired were determined by management with assistance from external valuation specialists. We developed our estimate of the fair value of the brand intangible asset and contract intangible assets by applying the multi-period excess earnings method. The multi-period excess earnings method uses unobservable inputs for projected cash flows, including projected financial results and a discount rate, which are considered Level 3 inputs within the fair value measurement valuation hierarchy.

Our redeemable noncontrolling interests relate to our interest in the Sydell Group. The Sydell Group's governing documents contain put options that give the noncontrolling interest holders the right to sell their equity interests to us beginning in the second quarter of 2030, as well as call options that give us the right to purchase the remaining equity interests beginning in the second quarter of 2032. The exercise price of the put and call options is based on a multiple of the Sydell Group's earnings as of the date that such option would be exercised. The redeemable noncontrolling interests were recorded at a fair value of $22 million as of the acquisition date.

The results of operations of the Sydell Group were included in the consolidated financial statements for the period from the date of acquisition to December 31, 2024. The acquisition of a controlling financial interest in the Sydell Group did not have a material impact on the Company's consolidated financial statements for the year ended December 31, 2024, and, as such, historical and pro forma results are not disclosed.

Note 4: Revenues from Contracts with Customers

Contract Liabilities

The following table summarizes the activity of our contract liabilities during the year ended December 31, 2024:

	(in millions)
Balance as of December 31, 2023	$ 1,52
Cash received in advance and not recognized as revenue	76
Revenue recognized[1]	(41
Other[2]	(4
Balance as of December 31, 2024	$ 1,82

(1) Primarily related to Hilton Honors, including co-branded credit card arrangements.
(2) Primarily represents the changes in estimated transaction prices for our performance obligations related to the issuance of Hilton Honors points, which had no effect on revenues.

Performance Obligations

As of December 31, 2024, deferred revenues for unsatisfied performance obligations consisted of: (i) $1,032 million related to Hilton Honors that will be recognized as revenue over approximately the next two years; (ii) $780 million related to advance consideration received from hotel owners for application, initiation and other fees and system implementation fees; and (iii) $17 million related to other obligations.

Note 5: Consolidated Variable Interest Entities

As of December 31, 2024 and 2023, we consolidated two VIEs that each lease one hotel property, both of which are located in Japan, and for which the assets are only available to settle the obligations of the respective entities and the liabilities of the respective entities are non-recourse to us. We consolidated these VIEs since we are the primary beneficiary, having the power to direct the activities that most significantly affect their economic performance. Additionally, we have the obligation to absorb losses and the right to receive benefits that could be significant to each of the VIEs individually.

Our consolidated balance sheets include the assets and liabilities of these entities, including the effect of foreign currency translation, which primarily comprised the following:

	December 31,	
	2024	2023
	(in millions)	
Cash and cash equivalents	$ 53	$ 4
Accounts receivable, net	16	1
Property and equipment, net	40	3
Deferred income tax assets	21	3
Other non-current assets	39	4
Accounts payable, accrued expenses and other	36	2
Long-term debt[1][2]	65	9

(1) Represents and includes finance lease liabilities of $65 million and $86 million, respectively, as of December 31, 2024 and 2023, respectively.
(2) Includes current maturities of $13 million and $19 million as of December 31, 2024 and 2023, respectively.

Note 6: Loss on Investments in Unconsolidated Affiliate

We provide equity and debt financing to certain unconsolidated affiliates with an objective of supporting the growth of our network. The assets relating to these investments are classified as other current assets or other non-current assets in our consolidated balance sheet based on the expected maturity date of the respective investment, if applicable.

In March 2023, as a result of the rise in market-based interest rates, one of our third-party unconsolidated affiliates (the "Fund"), which has underlying investments in certain hotels that we manage or franchise, failed to comply with certain requirements of its debt agreements. As a result, we determined that: (i) our investment in the Fund was fully impaired and (ii) short-term subordinated financing receivables due to us from the Fund were uncollectible. As such, we recognized an other-than-temporary impairment loss on our investment of $44 million and credit losses of $48 million to fully reserve the financing receivables, such that their net carrying values were zero. These losses were recognized in loss on investments in unconsolidated affiliate in our consolidated statement of operations for the year ended December 31, 2023. See Note 12: "Fair Value Measurements" for additional information.

Note 7: Intangible Assets

Finite-lived intangible assets were as follows:

	December 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Valu
		(in millions)	
Management and franchise contracts:			
Contract acquisition costs	$ 1,289	$ (289)	$ 1,00
Other[1]	281	(46)	23
	$ 1,570	$ (335)	$ 1,23
Other intangible assets:			
Capitalized software costs	$ 754	$ (590)	$ 16
Leases[2]	88	(58)	3
	$ 842	$ (648)	$ 19

	December 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(in millions)		
Management and franchise contracts:			
Contract acquisition costs	$ 1,183	$ (244)	$ 939
Other[1]	162	(37)	125
	$ 1,345	$ (281)	$ 1,064
Other intangible assets:			
Capitalized software costs	$ 712	$ (576)	$ 136
Leases[2][3]	126	(89)	37
	$ 838	$ (665)	$ 173

(1) Includes development commissions and other intangible assets. Amount for the year ended December 31, 2024 also includes management and franchise contract intangible assets acquired from third parties.
(2) Represents intangible assets that were initially recorded at fair value at the time of the Merger.
(3) During the year ended December 31, 2023, we recognized $4 million of impairment losses related to our leases intangible assets in our consolidated statement of operations; see Note 12: "Fair Value Measurements" for additional information.

Amortization of our finite-lived intangible assets was as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
Recognized in depreciation and amortization expenses[1]	$ 91	$ 104	$ 11
Recognized as a reduction of franchise and licensing fees and base and other management fees	50	43	3

(1) Includes amortization expense of $5 million, $37 million and $45 million for the years ended December 31, 2024, 2023 and 2022, respectively, associated with assets that were initially recorded at fair value at the time of the Merger, some of which fully amortized during the year ended December 31, 2023.

As of December 31, 2024, we estimate future amortization expense of our finite-lived intangible assets that will be recognized in depreciation and amortization expenses to be as follows:

Year	(in millions)
2025	$ 9
2026	7
2027	4
2028	2
2029	1
Thereafter	17
	$ 42

Note 8: Property and Equipment

Property and equipment were as follows:

	December 31,	
	2024	2023
	(in millions)	
Land	$ 8	$
Buildings and leasehold improvements	368	36
Furniture and equipment	375	40
Construction-in-progress	65	3
Finance lease ROU assets	94	8
	910	90
Accumulated depreciation and amortization[1]	(499)	(52
	$ 411	$ 38

(1) During the years ended December 31, 2024, 2023 and 2022, depreciation and amortization expenses on property and equipment was $55 million, $43 million and $46 million, respectively.

Property and equipment, net attributed to U.S. operations was $208 million and $183 million as of December 31, 2024 and 2023, respectively, and to operations outside the U.S. was $203 million and $199 million, respectively, most significantly in the U.K. and Japan.

During the year ended December 31, 2023, we recognized $1 million of impairment losses in our consolidated statement of operations related to property and equipment, net; see Note 12: "Fair Value Measurements" for additional information.

Note 9: Accounts Payable, Accrued Expenses and Other

Accounts payable, accrued expenses and other were as follows:

	December 31,	
	2024	2023
	(in millions)	
Accrued employee compensation and benefits	$ 637	$ 59
Accounts payable	409	45
Operating lease liabilities, current	117	11
Insurance reserves, current	114	9
Other current liabilities and accrued expenses[1]	847	71
	$ 2,124	$ 1,97

(1) Includes deposit liabilities related to hotel operations and application fees, promotional liabilities, contract acquisition costs payable and income taxes payable, as well as accrued expenses related to taxes, interest, advertising, rent and other.

Note 10: Debt

Long-term Debt

Long-term debt balances, including obligations for finance leases, and associated interest rates and maturities as of December 31, 2024, were as follows:

	December 31,	
	2024	2023
	(in millions)	
Senior secured term loan facility due 2028	$ —	$ 1,000
Senior secured term loan facility with a rate of 6.09%, due 2030	3,119	2,119
Senior notes with a rate of 5.375%, due 2025[1]	500	500
Senior notes with a rate of 4.875%, due 2027[1]	600	600
Senior notes with a rate of 5.750%, due 2028[1]	500	500
Senior notes with a rate of 5.875%, due 2029[1]	550	—
Senior notes with a rate of 3.750%, due 2029[1]	800	800
Senior notes with a rate of 4.875%, due 2030[1]	1,000	1,000
Senior notes with a rate of 4.000%, due 2031[1]	1,100	1,100
Senior notes with a rate of 3.625%, due 2032[1]	1,500	1,500
Senior notes with a rate of 6.125%, due 2032[1]	450	—
Senior notes with a rate of 5.875%, due 2033[1]	1,000	—
Finance lease liabilities with a weighted average rate of 6.03%, due 2025 to 2030[2]	117	139
Other debt of consolidated VIEs[2]	—	9
	11,236	9,267
Less: unamortized deferred financing costs and discounts	(85)	(71)
Less: current maturities of long-term debt[3]	(535)	(39)
	$ 10,616	$ 9,157

(1) These notes are collectively referred to as the Senior Notes and are jointly and severally guaranteed on a senior unsecured basis by the Parent and substantially all of its direct and indirect wholly owned domestic restricted subsidiaries, other than Hilton Domestic Operating Company Inc. ("HOC"), an indirect wholly owned subsidiary of the Parent and the issuer of all of the series of Senior Notes.

(2) Long-term debt of our consolidated VIEs is included in finance lease liabilities and other debt of consolidated VIEs as applicable. Refer to Note 5: "Consolidated Variable Interest Entities" for additional information.

(3) Represents current maturities of finance lease liabilities and the 5.375% Senior Notes due 2025 as of December 31, 2024 and current maturities of finance lease liabilities and borrowings of consolidated VIEs as of December 31, 2023. We believe that we have sufficient sources of liquidity and access to debt financing to address the current maturities of long-term debt at or prior to the respective maturity dates.

Senior Secured Credit Facilities

Our senior secured credit facilities consist of a senior secured revolving credit facility (the "Revolving Credit Facility") and senior secured term loan facilities (the "Term Loans"). The obligations under our senior secured credit facilities are unconditionally and irrevocably guaranteed by the Parent and substantially all of its direct and indirect wholly owned domestic restricted subsidiaries, other than HOC, the named borrower of the senior secured credit facilities.

In June 2024, we amended the credit agreement governing our Term Loans pursuant to which $1.0 billion of outstanding Term Loans due June 2028 were replaced with $1.0 billion of incremental Term Loans due November 2030, aligning their maturity with the outstanding $2.1 billion tranche of Term Loans due November 2030. Additionally, the entire balance of the Term Loans was repriced with an interest rate of the Secured Overnight Financing Rate ("SOFR") plus 1.75% (collectively, the "June 2024 Amendment"). In connection with the June 2024 Amendment, we incurred $3 million of debt issuance costs, which were recognized in other non-operating loss, net in our consolidated statement of operations for the year ended December 31, 2024.

In March 2024, we borrowed and subsequently repaid $200 million under the Revolving Credit Facility.

In November 2023, we amended the credit agreement governing our Term Loans pursuant to which $1.0 billion of outstanding Term Loans were converted into a new tranche of Term Loans due June 2028 with an interest rate of SOFR plus 1.85% and $1.6 billion of outstanding Term Loans were converted into a new tranche, which was also increased by $500 million of aggregate principal amount, due November 2030 with an interest rate of SOFR plus 2.10%. In connection with

the amendment of the Term Loans, we incurred $21 million of original issue discounts and fees, of which $11 million was recognized as a reduction to the outstanding debt balance in our consolidated balance sheet to be amortized to interest expense through the respective maturity dates of the Term Loans. The remaining $10 million was recognized in other non-operating income, net in our consolidated statement of operations for the year ended December 31, 2023.

In January 2023, we amended the credit agreement governing our Revolving Credit Facility to increase the borrowing capacity from $1.75 billion to $2.0 billion, $250 million of which is available in the form of letters of credit, and extended the maturity date to January 2028. In connection with this amendment, we incurred approximately $9 million of debt issuance costs, which were recognized in other non-current assets in our consolidated balance sheet and will be amortized to interest expense through the maturity date of the Revolving Credit Facility.

No borrowings were outstanding under the Revolving Credit Facility as of December 31, 2024, which had an available borrowing capacity of $1,910 million after considering $90 million of outstanding letters of credit.

Senior Notes

In September 2024, we issued $1.0 billion aggregate principal amount of 5.875% Senior Notes due 2033 (the "2033 Senior Notes") and incurred an aggregate $15 million of debt issuance costs which were recognized as a reduction to the outstanding debt balance in our consolidated balance sheet and will be amortized to interest expense through the maturity date of the 2033 Senior Notes. Interest on the 2033 Senior Notes is payable semi-annually in arrears on March 15 and September 15 of each year, beginning March 15, 2025.

In March 2024, we issued $550 million aggregate principal amount of 5.875% Senior Notes due 2029 (the "5.875% 2029 Senior Notes") and $450 million aggregate principal amount of 6.125% Senior Notes due 2032 (the "6.125% 2032 Senior Notes") (collectively, the "March Senior Notes issuance") and incurred an aggregate $15 million of debt issuance costs which were recognized as a reduction to the outstanding debt balance in our consolidated balance sheet and will be amortized to interest expense through the respective maturity dates of the 5.875% 2029 Senior Notes and the 6.125% 2032 Senior Notes. Interest on the 5.875% 2029 Senior Notes and the 6.125% 2032 Senior Notes is payable semi-annually in arrears on April 1 and October 1 of each year, beginning October 1, 2024. We used a portion of the net proceeds from the March Senior Notes issuance to repay $200 million borrowed under our Revolving Credit Facility earlier in March 2024.

Debt Maturities

The contractual maturities of our long-term debt as of December 31, 2024 were as follows:

Year	(in millions)
2025	$ 535
2026	31
2027	616
2028	512
2029	1,362
Thereafter	8,180
	$ 11,236

Note 11: Other Liabilities

Other long-term liabilities were as follows:

	December 31,	
	2024	2023
	(in millions)	
Other long-term tax liabilities	$ 618	$ 64
Insurance reserves	158	15
Deferred employee compensation and benefits	89	8
Pension obligations	17	3
Other	59	1
	$ 941	$ 9

Note 12: Fair Value Measurements

The fair values of certain financial instruments and the hierarchy level we used to estimate the fair values are shown below:

	December 31, 2024			
		Hierarchy Level		
	Carrying Value[1]	Level 1	Level 2	Level 3
	(in millions)			
Assets:				
Interest rate swap	$ 45	$ —	$ 45	$ -
Liabilities:				
Long-term debt[2]	11,119	7,560	—	3,14

	December 31, 2023			
		Hierarchy Level		
	Carrying Value[1]	Level 1	Level 2	Level 3
	(in millions)			
Assets:				
Interest rate swaps	$ 75	$ —	$ 75	$ —
Liabilities:				
Long-term debt[2]	9,119	5,631	—	3,129

(1) The fair values of cash equivalents and restricted cash equivalents approximate their carrying values due to their short-term maturities. The fair values of all other financial instruments not included in these tables are estimated to be equal to their carrying values.

(2) The carrying values and fair values exclude the deduction for unamortized deferred financing costs and any applicable discounts, as well as all finance lease liabilities and other debt of consolidated VIEs; refer to Note 10: "Debt" for additional information.

We measured our interest rate swaps at fair value, which was determined using a discounted cash flow analysis that reflects the contractual terms of the interest rate swaps, including the period to maturity, and uses observable market-based inputs of similar instruments, including interest rate curves, as applicable.

During the year ended December 31, 2024, we measured the net assets acquired in the acquisition of the Sydell Group at fair value on a non-recurring basis; see Note 3: "Acquisitions" for additional information.

During the year ended December 31, 2023, we measured a financial asset at fair value on a non-recurring basis and recognized an other-than-temporary impairment loss of $44 million in loss on investments in unconsolidated affiliate in our consolidated statement of operations. In March 2023, the financial asset, an equity method investment in the Fund, which derives its market value from the underlying hotel assets it owns, failed to comply with its debt agreements, as discussed in Note 6: "Loss on Investments in Unconsolidated Affiliate." Given the lack of an active market or observable inputs for the fair value of the Fund, we determined that at March 31, 2023 our investment had a fair value of zero using Level 3 valuation inputs.

During the year ended December 31, 2023, the forecasted operating results of certain leased hotels caused us to evaluate the carrying value of the affected properties for impairment. We estimated the fair value of the related assets using discounted cash flow analyses and Level 3 valuation inputs including growth rates and discount rates that reflected the risk profile of the underlying cash flows and the individual markets where the assets are located. Estimations of the stabilized growth rates approximated 1.8 percent and the discount rates ranged from 8.0 percent to 11.3 percent, with the weighted average, based on relative impairment losses, being at the lower end of the range. As a result of these non-recurring fair value measurements, we recognized impairment losses on these assets, all of which are in our ownership segment, of $38 million during the year ended December 31, 2023. The fair values of these assets as of December 31, 2023, the date of measurement, were as follows:

	(in millions)
Other intangible assets, net	$ 3
Operating lease right-of-use assets	69
Property and equipment, net	1

Note 13: Leases

We lease hotel properties, land, corporate office space and equipment used at hotels and corporate offices, with our most significant lease liabilities relating to hotel properties. As of December 31, 2024, we leased 40 hotels under operating leases and five hotels under finance leases, two of which were the liabilities of consolidated VIEs, which are non-recourse to us. Our hotel leases expire at various dates, with varying renewal and termination options.

During the year ended December 31, 2023, we recognized $33 million of impairment losses in our consolidated statement of operations related to certain operating lease ROU assets; see Note 12: "Fair Value Measurements" for additional information.

Supplemental balance sheet information related to leases was as follows:

	December 31,	
	2024	2023
	(dollars in millions)	
Operating leases:		
Operating lease right-of-use assets[1]	$ 567	$ 618
Accounts payable, accrued expenses and other	117	116
Operating lease liabilities	735	808
Finance leases:		
Property and equipment, net	$ 37	$ 36
Current maturities of long-term debt	35	34
Long-term debt	82	105
Weighted average remaining lease term:		
Operating leases	10.0 years	10.6 ye
Finance leases	4.3 years	5.1 ye
Weighted average discount rate:		
Operating leases	4.49 %	4.33
Finance leases	6.03 %	6.01

(1) Includes $77 million and $73 million attributable to U.S. operations as of December 31, 2024 and 2023, respectively, and $490 million and $545 million to operations outside the U.S., respectively, most significantly in the U.K. and Germany for both years.

The components of lease expense were as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
Operating lease expense for fixed payments	$ 109	$ 118	$ 11
Finance lease expense:			
Amortization of ROU assets	22	21	2
Fixed interest on lease liabilities	8	9	1
Variable lease expense[1]	189	179	13

(1) Includes amounts related to both operating leases and finance leases.

Supplemental cash flow information related to leases was as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 138	$ 137	$ 15
Financing cash flows from finance leases	38	40	4
ROU assets obtained in exchange for lease liabilities in non-cash transactions:			
Operating leases	44	39	13
Finance leases	24	24	2

Our future minimum lease payments as of December 31, 2024 were as follows:

Year	Operating Leases	Finance Leases
	(in millions)	
2025	$ 152	$ 4
2026	128	3
2027	117	1
2028	115	1
2029	109	1
Thereafter	455	1
Total minimum lease payments	1,076	13
Less: imputed interest	(224)	(1
Total lease liabilities	$ 852	$ 11

Note 14: Income Taxes

Income Tax Provision

The domestic and foreign components of income before income taxes were as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
U.S. income before income taxes	$ 1,237	$ 1,301	$ 1,32
Foreign income before income taxes	546	391	41
Income before income taxes	$ 1,783	$ 1,692	$ 1,73

The components of our provision for income taxes were as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
Current:			
Federal	$ 357	$ 586	$ 3(
State	82	136	8
Foreign	52	83	5
Total current	491	805	44
Deferred:			
Federal	(51)	(250)	1
State	(15)	(83)	
Foreign[1]	(181)	69	1
Total deferred	(247)	(264)	3
Total provision for income taxes	$ 244	$ 541	$ 47

(1) Includes a $29 million tax benefit from the release of valuation allowances as the Company concluded it is more likely than not to realize the benefit of certain foreign deferred tax assets.

Reconciliations of the provision for income taxes at the U.S. statutory rate to the provision for income taxes were as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
Statutory U.S. federal income tax provision	$ 375	$ 355	$ 36
State income taxes, net of U.S. federal income tax benefit	55	45	6
Impact of foreign operations	90	33	3
Changes in deferred tax asset valuation allowances	(24)	40	(
Income tax rate changes	—	(9)	-
Provision for uncertain tax positions	26	69	1
Claim for increased foreign tax basis[1]	(270)	—	-
Excess tax benefits related to share-based compensation	(22)	(6)	(
Other, net	14	14	1
Provision for income taxes	$ 244	$ 541	$ 47

(1) Includes tax benefit for claim for increased foreign tax basis, net of $547 million tax expense for related valuation allowance increase as of December 31, 2024.

During the year ended December 31, 2024, we filed an affirmative claim with a foreign taxing authority to increase the tax basis of certain brand assets that were part of a prior-year intercompany transfer that is subject to ongoing tax audits in relevant jurisdictions. We have evaluated this claim in accordance with the more-likely-than-not recognition threshold for the financial statement recognition and measurement of this tax position and have recognized a deferred tax asset representing the greatest amount of benefit that is more than 50 percent likely to be realized upon settlement. We also increased our valuation allowances related to the portion of this deferred tax asset that we believe will ultimately not be realized.

Deferred Income Taxes

Deferred income taxes represent the tax effect of the differences between the book and tax bases of assets and liabilities plus carryforward items. The tax effects of the temporary differences and carryforwards that give rise to our net deferred taxes were as follows:

	December 31,	
	2024	2023
	(in millions)	
Deferred tax assets:		
Net tax loss carryforwards and carrybacks	$ 525	$ 604
Foreign brands	763	—
Compensation	118	124
Reserves	57	81
Operating and finance lease liabilities	282	290
Deferred income	659	558
Foreign tax credit carryforwards	70	63
Other	127	114
Total gross deferred tax assets	2,601	1,834
Less: valuation allowance	(1,200)	(698)
Deferred tax assets	1,401	1,136
Deferred tax liabilities:		
U.S. brands	(1,124)	(1,123)
Foreign brands	—	(20)
Operating and finance lease ROU assets	(200)	(195)
Other	(81)	(59)
Deferred tax liabilities	(1,405)	(1,397)
Net deferred taxes	$ (4)	$ (261)

As of December 31, 2024, we had gross U.S. separate return limitation year loss carryforwards and foreign operating loss carryforwards of $2.2 billion, resulting in deferred tax assets of $525 million. Approximately $27 million of our deferred tax assets as of December 31, 2024 related to loss carryforwards that will expire between 2025 and 2044 with less than $1 million of that amount expiring in 2025. Approximately $498 million of our deferred tax assets as of December 31, 2024 related to loss carryforwards that are not subject to expiration. We believe that it is more likely than not that the benefit from certain U.S. and foreign loss carryforwards will not be realized. In recognition of this assessment, we provided valuation allowances totaling $462 million as of December 31, 2024 on the deferred tax assets relating to these loss carryforwards. As of December 31, 2024, we also had deferred tax assets for U.S. tax credit carryforwards of $70 million that will expire between 2029 and 2034, for which we have provided full valuation allowances.

Tax Uncertainties

We file income tax returns, including returns for our subsidiaries, with federal, state, local and foreign tax jurisdictions. We are under regular and recurring audit by the Internal Revenue Service ("IRS") and other taxing authorities on open tax positions. The timing of the resolution of tax audits is highly uncertain, as are the amounts, if any, that may ultimately be paid upon such resolution. Changes may result from the conclusion of ongoing audits, appeals or litigation in federal, state, local and foreign tax jurisdictions or from the resolution of various proceedings between the U.S. and foreign tax authorities. As of December 31, 2024, the Company's federal income tax returns remain subject to examination by the IRS for tax years from 2011 through 2024. Various income tax returns filed with state, local and foreign jurisdictions remain subject to examination by the applicable taxing authorities.

Reconciliations of the beginning and ending amounts of unrecognized tax benefits were as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
Balance at beginning of year	$ 555	$ 337	$ 37
Additions for tax positions related to prior years	288	268	
Additions for tax positions related to the current year	19	4	
Reductions for tax positions related to prior years	(4)	(2)	(3
Settlements	(1)	(48)	-
Lapse of statute of limitations	(4)	(4)	(
Currency translation adjustment	(4)	—	(
Balance at end of year	$ 849	$ 555	$ 33

We recognize interest and penalties accrued related to uncertain tax positions in income tax benefit (expense) in our consolidated statement of operations. During the years ended December 31, 2024, 2023 and 2022, we recognized income tax expense related to interest and penalties of $35 million, $72 million and $17 million, respectively. As of December 31, 2024 and 2023, we had accrued approximately $182 million and $150 million, respectively, for interest and penalties related to our unrecognized tax benefits in our consolidated balance sheets. Included in the balances of unrecognized tax benefits as of December 31, 2024 and 2023 were $597 million and $314 million, respectively, associated with positions that, if favorably resolved, would provide a benefit to our effective income tax rate. We believe resolutions of examinations with tax authorities are reasonably possible within the next 12 months. We are unable to estimate the amount of unrecognized tax benefits that will increase or decrease during the next 12 months, as this estimate could change depending on the nature and timing of settlements.

Note 15: Employee Benefit Plans

We sponsor multiple domestic and international employee benefit plans (the "pension plans"), and the benefits are based upon years of service and compensation.

The employee benefit plan in the U.S. (the "Domestic Plan") covers certain employees not earning union benefits. This plan was frozen for participant benefit accruals in 1996; therefore, the projected benefit obligation is equal to the accumulated benefit obligation. The plan assets will be used to pay benefits due to employees for service through December 31, 1996. Since employees have not accrued additional benefits from that time, we do not utilize salary or pension inflation assumptions in calculating our benefit obligation for the Domestic Plan.

The employee benefit plans covering certain of our international employees include: (i) a plan that covers employees in the U.K. (the "U.K. Plan"), which was frozen to further service accruals in 2013 and (ii) a number of smaller plans that cover employees in various countries around the world (the "International Plans"). We do not consider the International Plans to be material to our consolidated financial statements.

The annual measurement date for all of our plans is December 31. We are required to recognize the funded status of our pension plans, which is the difference between the fair value of plan assets and the projected benefit obligations, in our consolidated balance sheet and make corresponding adjustments for changes in the difference between the fair value of plan assets and the projected benefit obligations through accumulated other comprehensive income (loss), net of taxes.

The following table presents the projected benefit obligation, fair value of plan assets, funded status and accumulated benefit obligation for the Domestic Plan and the U.K. Plan:

	Domestic Plan		U.K. Plan	
	2024	2023	2024	2023
	(in millions)			
Change in projected benefit obligation				
Benefit obligation at beginning of year	$ 281	$ 284	$ 309	$ 286
Service cost	—	—	2	2
Interest cost	14	15	14	14
Actuarial loss (gain), net of expenses	(8)	5	(32)	4
Settlements[1]	(41)	—	—	—
Effect of foreign currency exchange rates	—	—	(2)	16
Benefits paid	(23)	(23)	(16)	(13)
Benefit obligation at end of year	$ 223	$ 281	$ 275	$ 309
Change in plan assets				
Fair value of plan assets at beginning of year	$ 278	$ 271	$ 298	$ 277
Actual return on plan assets, net of expenses	13	25	(14)	10
Employer contributions	4	5	9	9
Settlements[1]	(41)	—	—	—
Effect of foreign currency exchange rates	—	—	(2)	15
Benefits paid	(23)	(23)	(16)	(13)
Fair value of plan assets at end of year	231	278	275	298
Funded status at end of year (underfunded)[2]	8	(3)	—	(11)
Accumulated benefit obligation	$ 223	$ 281	$ 275	$ 309

(1) During the year ended December 31, 2024, the Company purchased a group annuity contract (the "annuity purchase") and transferred $41 million of its pension plan assets and related benefit obligations related to its Domestic Plan to a third-party insurer.
(2) Funded amounts are recognized in other long-term assets and underfunded amounts are recognized in other long-term liabilities in our consolidated balance sheets, as applicable.

Changes in amounts recorded in accumulated other comprehensive loss consisted of the following:

	Domestic Plan			U.K. Plan		
	2024	2023	2022	2024	2023	2022
	(in millions)					
Net actuarial loss (gain)[1]	$ (3)	$ (3)	$ 25	$ 3	$ 27	$ 3
Amortization of prior service cost	(4)	(4)	(4)	—	—	–
Amortization of net loss	(1)	—	(3)	(8)	(6)	(
Settlement losses[2]	(10)	—	—	—	—	–
Net amount recognized	$ (18)	$ (7)	$ 18	$ (5)	$ 21	$ 3

(1) Amounts for the U.K. Plan include the impact of foreign currency exchange.
(2) Amount for the year ended December 31, 2024 includes a loss for a settlement related to the Company's Domestic Plan as a result of the annuity purchase, which was recognized in other non-operating loss, net in our consolidated statement of operations.

The net periodic pension cost (credit) was as follows:

	Domestic Plan			U.K. Plan		
	2024	2023	2022	2024	2023	2022
	(in millions)					
Service cost[1]	$ —	$ 3	$ 3	$ 2	$ 2	$
Interest cost[2]	14	15	8	14	14	
Expected return on plan assets[2]	(18)	(20)	(20)	(23)	(22)	(2
Amortization of prior service cost[2]	4	4	4	—	—	–
Amortization of net loss[2]	1	—	3	8	6	
Settlement losses[3]	10	—	—	—	—	–
Net periodic pension cost (credit)	$ 11	$ 2	$ (2)	$ 1	$ —	$ (1

(1) Recognized in owned and leased hotels expenses and general and administrative expenses, as applicable, in our consolidated statements of operations.
(2) Recognized in other non-operating income (loss), net in our consolidated statements of operations.
(3) During the year ended December 31, 2024, as a result of the annuity purchase, we recognized a non-cash pension settlement loss in other non-operating loss, net in our consolidated statement of operations.

The weighted average assumptions used to determine benefit obligations were as follows:

	Domestic Plan		U.K. Plan	
	2024	2023	2024	2023
Discount rate	5.6 %	5.2 %	5.5 %	4.5
Salary inflation	N/A	N/A	2.5	2.4
Pension inflation	N/A	N/A	2.9	2.8

The weighted average assumptions used to determine net periodic pension cost (credit) were as follows:

	Domestic Plan			U.K. Plan		
	2024	2023	2022	2024	2023	2022
Discount rate	5.2 %	5.6 %	2.9 %	4.5 %	4.8 %	1.9
Expected return on plan assets	7.0	6.8	6.3	7.5	7.3	5.0
Salary inflation	N/A	N/A	N/A	2.4	2.6	2.6
Pension inflation	N/A	N/A	N/A	2.8	3.1	3.1

The investment objectives for the various plans are preservation of capital, current income and long-term growth of capital. All plan assets are managed by third-party investment managers and do not include investments in Hilton stock. Asset allocations are reviewed periodically by the investment managers.

Expected long-term returns on plan assets are determined using historical performance for return-seeking assets and liability-driven investments held by our plans, actual performance of plan assets and current and expected market conditions. Expected returns are formulated based on the target asset allocation. As of December 31, 2024 the target asset allocations for the Domestic Plan and U.K. Plan were 70 percent and 65 percent, respectively, in return-seeking assets, and 30 percent and 35 percent, respectively, in liability-driven investments and cash.

The following tables present the fair value hierarchy of total plan assets measured at fair value by asset category:

	Domestic Plan		U.K. Plan	
	December 31,		December 31,	
	2024	2023	2024	2023
	(in millions)			
Level 1				
Cash	$ —	$ —	$ 2	$ 1
Bond funds	7	12	—	—
Level 2				
Bond funds	—	—	36	37
Net asset value[1]				
Cash equivalents	—	—	6	7
Bond funds	—	—	72	82
Common collective trusts	224	266	—	—
Alternative investments	—	—	110	121
Other	—	—	49	50
	$ 231	$ 278	$ 275	$ 298

(1) Certain investments are measured at net asset value per share as a practical expedient and, therefore, have not been classified in the fair value hierarchy.

As of December 31, 2024, the benefits expected to be paid in the next five years and in the aggregate for the five years thereafter were as follows:

	Domestic Plan	U.K. Plan
Year	(in millions)	
2025	$ 22	$ 1
2026	21	1
2027	21	1
2028	20	1
2029	20	1
2030-2034	89	9
	$ 193	$ 17

In 2007, the Domestic Plan and plans maintained for certain domestic hotels currently or formerly managed by us were merged into a multiple employer plan. As of December 31, 2024 and 2023, the multiple employer plan had combined plan assets of $240 million and $303 million, respectively, and a projected benefit obligation of $230 million and $301 million, respectively.

Note 16: Share-Based Compensation

We recognized share-based compensation expense of $176 million, $169 million and $162 million during the years ended December 31, 2024, 2023 and 2022, respectively, which included amounts reimbursed by hotel owners, and the related tax benefit recognized was $72 million, $48 million and $48 million, respectively. In December 2020, we modified our then-outstanding performance shares in response to the COVID-19 pandemic to reward for results achieved prior to the pandemic and incentivize our recovery efforts, with a portion of the awards modified to vest based on continued service and the remaining portion of the awards to vest based on new performance measures. As a result of this modification, our share-based compensation expense for the year ended December 31, 2022 includes incremental share-based compensation expense of $25 million.

As of December 31, 2024, unrecognized compensation costs for unvested awards under the 2017 Plan were approximately $132 million, which are expected to be recognized over a weighted average period of 1.7 years on a straight-line basis. As of December 31, 2024, there were 9.7 million remaining shares authorized for awards under the 2017 Plan, including any shares subject to awards outstanding under the 2013 Omnibus Incentive Plan that will become available for issuance under the 2017 Plan if such outstanding awards expire or are terminated or are canceled or forfeited.

RSUs

The following table provides information about our RSU grants:

	Year Ended December 31,		
	2024	2023	2022
Number of shares granted (in thousands)	473	604	5(
Weighted average grant date fair value per share	$ 203.98	$ 146.19	$ 150.5
Aggregate fair value of shares vested (in millions)	$ 107	$ 84	$ 9

The following table summarizes the activity of our RSUs during the year ended December 31, 2024:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value per Shar
Outstanding as of December 31, 2023	1,012	$ 144.4
Granted	473	203.9
Vested	(521)	142.1
Forfeited	(42)	165.8
Outstanding as of December 31, 2024	922	175.3

Options

The following table provides information about our option grants:

	Year Ended December 31,		
	2024	2023	2022
Number of options granted (in thousands)	264	341	31
Weighted average exercise price per share	$ 203.95	$ 146.18	$ 150.6
Weighted average grant date fair value per share	$ 71.25	$ 52.27	$ 51.1
Aggregate intrinsic value of options exercised (in millions)	$ 90	$ 18	$

The weighted average grant date fair value per share of the option grants for each year was determined using the Black-Scholes-Merton option-pricing model with the following weighted-average assumptions:

	Year Ended December 31,		
	2024	2023	2022
Expected volatility[1]	27.94 %	30.16 %	33.28
Dividend yield[2]	0.33 %	0.43 %	0.41
Risk-free rate[3]	4.17 %	4.00 %	1.93
Expected term (in years)[4]	6.0	6.0	6

(1) Estimated using a blended approach of historical and implied volatility. Historical volatility is based on the historical movement of Hilton's stock price for a period that corresponds to the expected terms of the options.
(2) Estimated based on the expected quarterly dividend and the three-month average stock price at the date of each grant.
(3) Based on the yields of U.S. Department of Treasury instruments with similar expected terms of the options at the date of each grant.
(4) Estimated using the midpoint of the vesting periods and the contractual terms of the options as we do not have sufficient historical share option exercise data to estimate the terms of our option grants.

The following table summarizes the activity of our options during the year ended December 31, 2024:

	Number of Shares	Weighted Average Exercis Price per Share
	(in thousands)	
Outstanding as of December 31, 2023	3,102	$ 94.5
Granted	264	203.9
Exercised	(648)	73.9
Forfeited	(7)	144.9
Outstanding as of December 31, 2024[1]	2,711	109.9
Exercisable as of December 31, 2024[2]	2,122	92.4

(1) The aggregate intrinsic value was $372 million and the weighted average remaining contractual term was 5.3 years.
(2) The aggregate intrinsic value was $328 million and the weighted average remaining contractual term was 4.4 years.

Performance Shares

As of December 31, 2024, we determined that all of the performance measures for the outstanding performance shares granted in 2022, 2023, and 2024 were probable of achievement, with the average of the applicable achievement factors estimated to be between the target and maximum achievement percentages for performance shares granted in each year.

The following table provides information about our performance share grants for the last three years:

	Year Ended December 31,		
	2024	2023	2022
Number of shares granted (in thousands)	187	244	21
Weighted average grant date fair value per share	$ 204.31	$ 146.18	$ 150.6
Aggregate fair value of shares vested (in millions)	$ 47	$ 42	$ 4

The following table summarizes the activity of our performance shares in aggregate for all of our performance measures during the year ended December 31, 2024, with the performance shares reflected at the target achievement percentage until completion of the performance period:

	Number of Shares	Weighted Average Grant Date Fair Value per Share
	(in thousands)	
Outstanding as of December 31, 2023	679	$ 139.74
Granted	187	204.31
Performance achievement share adjustments[1]	231	123.13
Vested	(462)	123.13
Forfeited	(14)	148.56
Outstanding as of December 31, 2024	621	165.12

(1) Reflects the number of shares achieved above target, based on actual performance as determined at the completion of the respective three-year performance period.

Note 17: Earnings Per Share

The following table presents the calculation of basic and diluted earnings per share ("EPS"):

	Year Ended December 31,		
	2024	2023	2022
	(in millions, except per share amounts)		
Basic EPS:			
Numerator:			
Net income attributable to Hilton stockholders	$ 1,535	$ 1,141	$ 1,25
Denominator:			
Weighted average shares outstanding	248	262	27
Basic EPS	$ 6.20	$ 4.36	$ 4.5
Diluted EPS:			
Numerator:			
Net income attributable to Hilton stockholders	$ 1,535	$ 1,141	$ 1,25
Denominator:			
Weighted average shares outstanding[1]	250	264	27
Diluted EPS[1]	$ 6.14	$ 4.33	$ 4.5

(1) Amounts for all periods include less than 1 million shares related to share-based compensation that were excluded from the calculations of diluted EPS because their effect would have been anti-dilutive under the treasury stock method.

Note 18: Accumulated Other Comprehensive Loss

The changes in the components of accumulated other comprehensive loss, net of taxes, were as follows:

	Currency Translation Adjustment[1]	Pension Liability Adjustment[2]	Cash Flow Hedge Adjustment[3]	Total
	(in millions)			
Balance as of December 31, 2021	$ (540)	$ (210)	$ (29)	$ (77
Other comprehensive income (loss) before reclassifications	(9)	(57)	114	4
Amounts reclassified from accumulated other comprehensive loss	1	8	16	2
Net other comprehensive income (loss) for the period	(8)	(49)	130	7
Balance as of December 31, 2022	(548)	(259)	101	(70
Other comprehensive income (loss) before reclassifications	9	(11)	9	
Amounts reclassified from accumulated other comprehensive loss	—	8	(40)	(3
Net other comprehensive income (loss) for the period	9	(3)	(31)	(2
Balance as of December 31, 2023	(539)	(262)	70	(73
Other comprehensive income (loss) before reclassifications	(54)	4	30	(2
Amounts reclassified from accumulated other comprehensive loss	2	18	(51)	(3
Net other comprehensive income (loss) for the period	(52)	22	(21)	(5
Balance as of December 31, 2024	$ (591)	$ (240)	$ 49	$ (78

(1) Includes net investment hedge gains and intra-entity foreign currency transactions that are of a long-term investment nature. Amounts reclassified relate to the liquidation of investments in foreign entities which were recognized in gain (loss) on foreign currency transactions in our consolidated statements of operations during the years ended December 31, 2024 and 2022.

(2) Amount reclassified for the year ended December 31, 2024 includes losses for the full or partial settlement of certain pension plans and were recognized in other non-operating loss, net in our consolidated statement of operations. Amounts reclassified for all periods relate to the amortization of prior service cost and amortization of net loss and were recognized in other non-operating income (loss), net in our consolidated statements of operations.

(3) Amounts reclassified were the result of hedging instruments, primarily comprising interest rate swaps, inclusive of interest rate swaps that were dedesignated in prior periods, with related amounts recognized in interest expense in our consolidated statements of operations. Amounts reclassified also related to foreign currency forward contracts that hedge our foreign currency denominated fees, with related amounts recognized in various revenue line items, as applicable, in our consolidated statements of operations.

Note 19: Business Segments

We are a hospitality company with operations organized in two distinct operating segments: (i) management and franchise and (ii) ownership, each of which is reported as a segment based on (a) delivering a similar set of products and services and (b) being managed separately given its distinct economic characteristics.

The management and franchise segment includes all of the hotels we manage for third-party owners, as well as all properties that license our IP, and/or use our booking channels and related programs, and where we provide other contracted services, but the day-to-day services of the hotels are operated or managed by someone other than us. Revenues from this segment include: (i) management and franchise fees charged to third-party hotel owners; (ii) licensing fees from our strategic partners, including co-branded credit card providers, strategic partner hotels and HGV; and (iii) fees for managing hotels in our ownership segment. The ownership segment primarily derives revenues from nightly hotel room sales, food and beverage sales and other services at our consolidated owned and leased hotels.

Our President and Chief Executive Officer is our CODM. Our CODM uses Adjusted EBITDA to evaluate the performance of our operating segments. Adjusted EBITDA is calculated as EBITDA, which reflects net income (loss), excluding interest expense, a provision for income tax benefit (expense) and depreciation and amortization expenses, further adjusted to exclude certain items, including gains, losses, revenues and expenses in connection with: (i) asset dispositions for both consolidated and unconsolidated investments; (ii) foreign currency transactions; (iii) debt restructurings and retirements; (iv) FF&E replacement reserves required under certain lease agreements; (v) share-based compensation; (vi) reorganization, severance, relocation and other expenses; (vii) non-cash impairment; (viii) amortization of contract acquisition costs; (ix) other revenues from managed and franchised properties and other expenses from managed and franchised properties; and (x) other items. Our CODM uses Adjusted EBITDA to evaluate the trends of our segments over time and monitor the segments in light of the performance of our industry and competitors to determine how to allocate capital resources, including contract acquisition costs and capital expenditures. Our CODM does not use assets by operating segment when assessing performance or making operating segment resource allocations. We previously were required to report segment profitability based on segment operating income (loss) as such measure was also regularly provided to our CODM. Beginning in the fourth quarter of 2024, segment operating income (loss) was no longer included in regular reporting provided to the CODM, and, as a result, our reported measure of segment profit changed to Adjusted EBITDA. The change in our reported measure of segment profit did not change the identification of our reportable segments from prior periods. Prior period amounts presented are measured on the same basis as amounts for the year ended December 31, 2024.

The following table presents revenues for our reportable segments, reconciled to consolidated amounts:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
Franchise and licensing fees	$ 2,622	$ 2,388	$ 2,08
Base and other management fees[1]	427	393	33
Incentive management fees	290	274	19
Management and franchise	3,339	3,055	2,61
Ownership	1,255	1,244	1,07
Segment revenues	4,594	4,299	3,69
Amortization of contract acquisition costs	(50)	(43)	(3
Other revenues	232	178	10
Other revenues from managed and franchised properties	6,428	5,827	5,03
Intersegment fees elimination[1]	(30)	(26)	(2
Total revenues	$ 11,174	$ 10,235	$ 8,77

(1) Includes management, royalty and IP fees charged to consolidated hotels in our ownership segment by our management and franchise segment, which were eliminated in our consolidated statements of operations.

The following table presents Adjusted EBITDA for each of our reportable segments, reconciled to consolidated income before income taxes:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
Management and franchise[1][2]	$ 3,339	$ 3,055	$ 2,619
Ownership[1][2]	172	150	110
Segment Adjusted EBITDA	3,511	3,205	2,729
Corporate and other[3]	(82)	(116)	(130)
Interest expense	(569)	(464)	(415)
Depreciation and amortization expenses	(146)	(147)	(162)
Gain on sales of assets, net	5	—	—
Gain (loss) on foreign currency transactions	(12)	(16)	5
Loss on investments in unconsolidated affiliate	—	(92)	—
Loss on debt guarantees[4]	(50)	—	—
FF&E replacement reserves	(57)	(63)	(54)
Share-based compensation expense	(176)	(169)	(162)
Impairment losses	—	(38)	—
Amortization of contract acquisition costs	(50)	(43)	(38)
Other revenues from managed and franchised properties[5]	6,428	5,827	5,037
Other expenses from managed and franchised properties[5]	(6,985)	(6,164)	(5,076)
Other adjustment items[6]	(34)	(28)	—
Income before income taxes	$ 1,783	$ 1,692	$ 1,734

(1) Includes management, royalty and IP fees charged to consolidated hotels in our ownership segment by our management and franchise segment, which were eliminated in our consolidated statements of operations.

(2) No expenses are allocated to the management and franchise segment. For the ownership segment, rent expense is a significant expense regularly provided to the CODM; rent expense for the years ended December 31, 2024, 2023 and 2022 was $224 million, $233 million and $213 million, respectively, and total other expenses were $868 million, $870 million and $753 million for the years ended December 31, 2024, 2023 and 2022, respectively, comprising (i) room expenses; (ii) food and beverage costs; (iii) property expenses; and (iv) other support costs. Ownership segment Adjusted EBITDA also includes income (losses) from hotels owned or leased by entities in which we own a noncontrolling financial interest.

(3) Amounts primarily include activity related to general and administrative expenses, excluding share-based compensation expense, and our purchasing operations.

(4) Amount includes losses on debt guarantees for certain hotels that we manage; refer to Note 20: Commitments and Contingencies for additional information.

(5) Amounts include results from the operation of programs conducted for the benefit of property owners and exclude cash receipts recorded as deferred revenues on our consolidated balance sheets related to these programs. Under the terms of the related contracts, we do not operate these programs to generate a profit and have the contractual rights to adjust future collections to recover prior period expenditures.

(6) Amount for the year ended December 31, 2022 was less than $1 million. Amount for the year ended December 31, 2024 relates to losses for the full or partial settlement of certain pension plans, restructuring costs related to one of our leased properties as well as transaction costs incurred for acquisitions. Amounts for the years ended December 31, 2024 and 2023 include transaction costs resulting from the amendments of our Term Loans in June 2024 and November 2023, respectively. Amounts for all periods include net losses (gains) related to certain of our investments in unconsolidated affiliates, other than the loss included separately in "loss on investments in unconsolidated affiliate," severance and other items.

Total revenues by country were as follows:

	Year Ended December 31,		
	2024	2023	2022
	(in millions)		
U.S.	$ 8,779	$ 7,986	$ 6,94
All other[1]	2,395	2,249	1,82
	$ 11,174	$ 10,235	$ 8,77

(1) There are no countries included in these amounts that individually represented more than 10 percent of total revenues for the years ended December 31, 2024, 2023 and 2022.

Note 20: Commitments and Contingencies

Although we include performance clauses in certain of our management contracts, most of these clauses do not require us to fund shortfalls but instead allow the owner to terminate the contract if specified operating performance levels are not

achieved. In limited cases, we are obligated to fund performance shortfalls and our obligations under these guarantees in future periods are dependent on the operating performance level of the related hotel over the remaining term of the performance guarantee for that particular hotel. As of December 31, 2024, we had performance guarantees with expirations ranging from 2025 to 2043 and possible cash outlays totaling $20 million.

We also have extended debt guarantees and provided letters of credit to owners of certain hotels that we currently or in the future will manage or franchise. During the year ended December 31, 2024, we recognized losses of $50 million in other non-operating loss, net in our consolidated statement of operations for debt guarantees extended to certain hotels that we manage that have failed to comply with the requirements of their respective debt agreements. We paid $77 million during the year ended December 31, 2024 related to debt guarantees. Our debt guarantees and letters of credit as of December 31, 2024 had expirations ranging from 2025 to 2033 and remaining possible cash outlays totaling $49 million.

The performance and debt guarantees create variable interests in the ownership entities of the related hotels, of which we are not the primary beneficiary.

We receive Hilton Honors and program fees from managed and franchised properties that we are contractually required to use to operate our Hilton Honors program, marketing, sales and brand programs and other shared services on behalf of property owners. If we collect amounts in excess of amounts expended, we have a commitment to spend these amounts on the related programs.

We are involved in various claims and lawsuits arising in the ordinary course of business, some of which include claims for substantial sums. While the ultimate results of claims and litigation cannot be predicted with certainty, we expect that the ultimate resolution of all pending or threatened claims and litigation as of December 31, 2024 will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Note 21: Supplemental Disclosures of Cash Flow Information

Cash interest paid included within operating activities in our consolidated statements of cash flows was $562 million, $492 million and $385 million during the years ended December 31, 2024, 2023 and 2022, respectively. These amounts exclude $56 million, $53 million and $2 million for the years ended December 31, 2024, 2023 and 2022, respectively, of cash receipts related to settlements of our interest rate swap with a financing component, which are separately disclosed within financing activities in our consolidated statements of cash flows.

Income tax payments, net of refunds received, were $492 million, $478 million and $389 million for the years ended December 31, 2024, 2023 and 2022, respectively.

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. The design of any disclosure controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this annual report, an evaluation was carried out under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this annual report, were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

We have set forth management's report on internal control over financial reporting and the attestation report of our independent registered public accounting firm on the effectiveness of our internal control over financial reporting in Item 8 of this Annual Report on Form 10-K. Management's report on internal control over financial reporting is incorporated in this Item 9A by reference.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2024, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

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

The information required by this item is incorporated by reference to our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

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

The information required by this item is incorporated by reference to our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to our definitive proxy statement for the 2025 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2024.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this report:

(a) Financial Statements

We include this portion of Item 15 under Item 8 of this Annual Report on Form 10-K.

(b) Financial Statement Schedules

All schedules are omitted as the required information is either not present, not present in material amounts or presented within the consolidated financial statements or related notes.

(c) Exhibits:

Exhibit Number	Exhibit Description
2.1	Distribution Agreement, dated January 2, 2017, among Hilton Worldwide Holdings Inc., Hilton Domestic Operating Company Inc., Park Hotels & Resorts Inc. and Hilton Grand Vacations Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on January 4, 2017).
3.1	Certificate of Incorporation of Hilton Worldwide Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 17, 2013).
3.2	Certificate of Amendment to Certificate of Incorporation of Hilton Worldwide Holdings Inc. effective as of January 3, 2017 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on January 4, 2017).
3.3	Amended and Restated By-Laws of Hilton Worldwide Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 2, 2019).
4.1	Indenture with respect to the 4.875% Senior Notes due 2027 (the "2027 Notes"), dated as of March 16, 2017, by and among Hilton Worldwide Finance LLC, Hilton Worldwide Finance Corp., the guarantors from time to time party thereto and Wilmington Trust, National Association, as trust (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 22, 2017).
4.2	Form of 4.875% Senior Note due 2027 (included in Exhibit 4.1).

Exhibit Number	Exhibit Description
4.3	First Supplemental Indenture with respect to the 2027 Notes, dated as of December 6, 2017, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017).
4.4	Second Supplemental Indenture with respect to the 2027 Notes, dated as of March 8, 2019, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for t quarter ended March 31, 2019).
4.5	Third Supplemental Indenture with respect to the 2027 Notes, dated as of February 25, 2020, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for t quarter ended March 31, 2020).
4.6	Fourth Supplemental Indenture with respect to the 2027 Notes, dated as of February 29, 2020, among the issuer, the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.6 to the Company's Quarterly Report on Forr 10-Q for the quarter ended March 31, 2020).
4.7	Fifth Supplemental Indenture with respect to the 2027 Notes, dated as of May 13, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.8	Sixth Supplemental Indenture with respect to the 2027 Notes, dated as of August 24, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.9	Seventh Supplemental Indenture with respect to the 4.875% Senior Notes due 2027, dated as of July 11, 2024, among the subsidiary guarantors list therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Forr 10-Q for the quarter ended June 30, 2024).
4.10	Indenture, dated as of June 20, 2019, with respect to the 4.875% Senior Notes due 2030 (the "2030 Notes"), by and among Hilton Domestic Operating Company Inc., the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 24, 2019).
4.11	Form of 4.875% Senior Note due 2030 (included in Exhibit 4.10).
4.12	First Supplemental Indenture with respect to the 2030 Notes, dated as of September 12, 2019, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.20 to the Company's Registration Statement on Form S-4 filed on September 20, 2019).
4.13	Second Supplemental Indenture with respect to the 2030 Notes, dated as of February 25, 2020, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020).
4.14	Third Supplemental Indenture with respect to the 2030 Notes, dated as of February 29, 2020, among the issuer, the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Forr 10-Q for the quarter ended March 31, 2020).
4.15	Fourth Supplemental Indenture with respect to the 2030 Notes, dated as of May 13, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.16	Fifth Supplemental Indenture with respect to the 2030 Notes, dated as of August 24, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.17	Sixth Supplemental Indenture with respect to the 4.875% Senior Notes due 2030, dated as of July 11, 2024, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Company's Quarterly Report on Forr 10-Q for the quarter ended June 30, 2024).

Exhibit Number	Exhibit Description
4.18	Indenture with respect to the 5.375% Senior Notes due 2025 (the "2025 Notes") and 5.750% Senior Notes due 2028 (the "2028 Notes"), dated as of April 21, 2020, by and among Hilton Domestic Operating Company Inc., the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 22, 2020).
4.19	Form of 5.375% Senior Note due 2025 (included in Exhibit 4.18).
4.20	Form of 5.750% Senior Note due 2028 (included in Exhibit 4.18).
4.21	First Supplemental Indenture with respect to the 2025 Notes and the 2028 Notes, dated as of May 13, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.22	Second Supplemental Indenture with respect to the 2025 Notes and the 2028 Notes, dated as of August 24, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.23	Third Supplemental Indenture with respect to the 5.375% Senior Notes due 2025 and 5.750% Senior Notes due 2028, dated as of July 11, 2024, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024).
4.24	Indenture with respect to the 3.750% Senior Notes due 2029 (the "2029 Notes") and the 4.000% Senior Notes due 2031 (the "2031 Notes"), dated as of December 1, 2020, by and among Hilton Domestic Operating Company Inc., the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 3, 2020).
4.25	Form of 3.750% Senior Note due 2029 (included in Exhibit 4.24).
4.26	Form of 4.000% Senior Note due 2031 (included in Exhibit 4.24).
4.27	First Supplemental Indenture with respect to the 2029 Notes and the 2031 Notes, dated as of May 13, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.28	Second Supplemental Indenture with respect to the 2029 Notes and the 2031 Notes, dated as of August 24, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.8 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.29	Third Supplemental Indenture with respect to the 3.750% Senior Notes due 2029 and 4.000% Senior Notes due 2031, dated as of July 11, 2024, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024).
4.30	Indenture with respect to the 3.625% Senior Notes due 2032 (the "2032 Notes"), dated as of February 2, 2021, by and among Hilton Domestic Operating Company Inc., the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on February 4, 2021).
4.31	Form of 3.625% Senior Note due 2032 (included in Exhibit 4.30).
4.32	First Supplemental Indenture with respect to the 2032 Notes, dated as of May 13, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.9 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.33	Second Supplemental Indenture with respect to the 2032 Notes, dated as of August 24, 2022, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).
4.34	Third Supplemental Indenture with respect to the 3.625% Senior Notes due 2032, dated as of July 11, 2024, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024).

Exhibit Number	Exhibit Description
4.35	Indenture, with respect to the 5.875% Senior Notes and 6.125% Senior Notes, dated as of March 26, 2024, by and among Hilton Domestic Operatir Company Inc., the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 27, 2024).
4.36	Form of 5.875% Senior Note due 2029 (included in Exhibit 4.35).
4.37	Form of 6.125% Senior Note due 2032 (included in Exhibit 4.35).
4.38	First Supplemental Indenture with respect to the 5.875% Senior Notes due 2029 and 6.125% Senior Notes due 2032, dated as of July 11, 2024, among the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to th Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024).
4.39	Indenture with respect to the 5.875% Senior Notes due 2033, dated as of September 9, 2024, among Hilton Domestic Operating Company Inc., the guarantors from time to time party thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 9, 2024).
4.40	Form of 5.875% Senior Note due 2033 (included in Exhibit 4.39).
4.41	Description of Securities (incorporated by reference to Exhibit 4.20 to the Company's Annual Report on Form 10-K for the year ended December 3 2019).
10.1	Credit Agreement, dated as of October 25, 2013, among Hilton Worldwide Holdings Inc., as parent, Hilton Worldwide Finance LLC, as borrower, t other guarantors from time to time party thereto, Deutsche Bank AG New York Branch, as administrative agent, collateral agent, swing line lender and L/C issuer, and the other lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1 filed on November 8, 2013).
10.2	Amendment No. 1, dated as of August 18, 2016, to the Credit Agreement, dated as of October 25, 2013, by and among Hilton Worldwide Holdings Inc., Hilton Worldwide Finance LLC, the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent, collateral agent, swing line lender and L/C issuer and the other lenders party thereto from time to time (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 18, 2016).
10.3	Amendment No. 2, dated as of November 21, 2016, to the Credit Agreement, dated as of October 25, 2013 (as amended), by and among Hilton Worldwide Holdings Inc., Hilton Worldwide Finance LLC, the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent, collateral agent, swing line lender and L/C issuer and the other lenders party thereto from time to time (incorporate by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 23, 2016).
10.4	Amendment No. 3, dated as of March 16, 2017, to the Credit Agreement, dated as of October 25, 2013 (as amended), by and among Hilton Worldwide Holdings Inc., Hilton Worldwide Parent LLC, Hilton Worldwide Finance LLC, the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent, collateral agent, swing line lender and L/C issuer and the other lenders party thereto from time to time (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 22, 2017).
10.5	Amendment No. 4, dated as of April 19, 2018, to the Credit Agreement, dated as of October 25, 2013 (as amended), by and among Hilton Worldwi Holdings Inc., Hilton Worldwide Parent LLC, Hilton Worldwide Finance LLC, the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent, collateral agent, swing line lender and L/C issuer and the other lenders party thereto from time to tin (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 19, 2018).
10.6	Amendment No. 5, dated as of June 5, 2019, to the Credit Agreement, dated as of October 25, 2013 (as amended by Amendment No. 1 to the Credi Agreement dated as of August 18, 2016, as further amended by Amendment No. 2 to the Credit Agreement dated as of November 21, 2016, as furth amended by Amendment No. 3 to the Credit Agreement dated as of March 16, 2017 and as further amended by Amendment No. 4 to the Credit Agreement dated as of April 19, 2018), by and among Hilton Worldwide Holdings Inc., Hilton Worldwide Parent LLC, Hilton Worldwide Finance LLC, the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent, collateral agent, swing lin lender and L/C issuer and the other lenders party thereto from time to time (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 7, 2019).

Exhibit Number	Exhibit Description
10.7	Amendment No. 6, dated as of June 21, 2019, to the Credit Agreement, dated as of October 25, 2013 (as amended by Amendment No. 1 to the Cred Agreement dated as of August 18, 2016, as further amended by Amendment No. 2 to the Credit Agreement dated as of November 21, 2016, as furth amended by Amendment No. 3 to the Credit Agreement dated as of March 16, 2017, as further amended by Amendment No. 4 to the Credit Agreement dated as of April 19, 2018 and as further amended by Amendment No. 5 to the Credit Agreement dated as of June 5, 2019), by and amo Hilton Worldwide Holdings Inc., Hilton Worldwide Parent LLC, Hilton Worldwide Finance LLC, the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent, collateral agent, swing line lender and L/C issuer and the other lenders party thereto from time to time (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 24, 2019).
10.8	Security Agreement, dated as of October 25, 2013, among the grantors identified therein and Deutsche Bank AG New York Branch, as collateral agent (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1 filed on November 8, 2013).
10.9	Loan Agreement, dated as of October 25, 2013, among the subsidiaries party thereto, collectively, as borrower and JPMorgan Chase Bank, National Association, German American Capital Corporation, Bank of America, N.A., GS Commercial Real Estate LP and Morgan Stanley Mortgage Capita Holdings LLC, collectively, as lender (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 filed on November 8, 2013).
10.10	Guaranty Agreement, dated as of October 25, 2013, among the guarantors named therein and JPMorgan Chase Bank, National Association, Germa American Capital Corporation, Bank of America, N.A., GS Commercial Real Estate LP and Morgan Stanley Mortgage Capital Holdings LLC, collectively, as lender (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1 filed on November 8, 2013
10.11	Hilton Worldwide Holdings Inc. 2013 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.15 to the Company's Registration Statemen on Form S-1 filed on November 8, 2013).*
10.12	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.19 to the Company's Registration Statement on Form S-1 filed on November 27, 2013).*
10.13	2005 Executive Deferred Compensation Plan (as Amended and Restated Effective as of January 1, 2018) (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017).*
10.14	Form of 2015 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q the quarter ended March 31, 2015).*
10.15	Form of Deferred Share Unit Agreement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarte ended June 30, 2015).*
10.16	Form of 2017 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q the quarter ended March 31, 2017).*
10.17	Hilton 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 26, 2017).*
10.18	Form of Deferred Share Unit Agreement for non-employee directors (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017).*
10.19	Form of 2018 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q the quarter ended March 31, 2018).*
10.20	Letter Agreement relating to certain tax matters, dated as of October 24, 2016, by and among Hilton Worldwide Holdings Inc., Park Hotels & Reso Inc., and certain of Hilton Worldwide Holdings Inc.'s stockholders (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on October 24, 2016).
10.21	Letter Agreement relating to tax stockholders agreement, dated as of October 24, 2016, by and among Hilton Worldwide Holdings Inc., Hilton Gra Vacations Inc. and certain of Hilton Worldwide Holdings Inc.'s stockholders (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on October 24, 2016).
10.22	Amended and Restated Registration Rights Agreement, dated as of October 24, 2016, by and among Hilton Worldwide Holdings Inc. and certain of its stockholders (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on October 24, 2016).
10.23	Tax Matters Agreement, dated January 2, 2017, among Hilton Worldwide Holdings Inc., Hilton Domestic Operating Company Inc., Park Hotels & Resorts Inc. and Hilton Grand Vacations Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 4, 2017).
10.24	Tax Stockholders Agreement, dated January 2, 2017, among Hilton Worldwide Holdings Inc., Hilton Grand Vacations Inc. and the other parties thereto (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on January 4, 2017).

Exhibit Number	Exhibit Description
10.25	Amendment One to the 2005 Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.38 to the Company's Annual Report Form 10-K for the year ended December 31, 2018).*
10.26	Form of 2019 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q the quarter ended March 31, 2019).*
10.27	Form of 2020 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q the quarter ended March 31, 2020).*
10.28	Form of 2021 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021).*
10.29	Executive Severance Plan (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020).*
10.30	Amendment No. 7, dated as of October 21, 2021, to the Credit Agreement, dated as of October 25, 2013 (as amended by Amendment No. 1 to the Credit Agreement dated as of August 18, 2016, as further amended by Amendment No. 2 to the Credit Agreement dated as of November 21, 2016, as further amended by Amendment No. 3 to the Credit Agreement dated as of March 16, 2017, as further amended by Amendment No. 4 to the Credit Agreement dated as of April 19, 2018, as further amended by Amendment No. 5 to the Credit Agreement dated as of June 5, 2019, and as further amended by Amendment No. 6 to the Credit Agreement dated as of June 21, 2019), between Hilton Domestic Operating Company Inc. and Deutsch Bank AG New York Branch as administrative agent (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021).
10.31	Form of 2022 Performance Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022).*
10.32	Form of 2022 Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022).*
10.33	Form of 2022 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022).*
10.34	Form of Deferred Share Unit Agreement for non-employee directors (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022).*
10.35	Amendment No. 8, dated as of December 9, 2022, to the Credit Agreement, dated as of October 25, 2013 (as amended by Amendment No. 1 to the Credit Agreement dated as of August 18, 2016, as further amended by Amendment No. 2 to the Credit Agreement dated as of November 21, 2016, as further amended by Amendment No. 3 to the Credit Agreement dated as of March 16, 2017, as further amended by Amendment No. 4 to the Credit Agreement dated as of April 19, 2018, as further amended by Amendment No. 5 to the Credit Agreement dated as of June 5, 2019, as further amended by Amendment No. 6 to the Credit Agreement dated as of June 21, 2019, and as further amended by Amendment No. 7 to the Credit Agreement dated as of October 21, 2021, by and among Hilton Worldwide Holdings Inc., Hilton Worldwide Parent LLC, Hilton Domestic Operatir Company, Inc., the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent, collateral agent, swing line lender and L/C issuer and the other lenders party thereto from time to time (incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022).
10.36	Amendment No. 9, dated as of January 5, 2023, to the Credit Agreement, dated as of October 25, 2013 (as amended by Amendment No. 1 to the Credit Agreement dated as of August 18, 2016, as further amended by Amendment No. 2 to the Credit Agreement dated as of November 21, 2016, as further amended by Amendment No. 3 to the Credit Agreement dated as of March 16, 2017, as further amended by Amendment No. 4 to the Credit Agreement dated as of April 19, 2018, as further amended by Amendment No. 5 to the Credit Agreement dated as of June 5, 2019, as further amended by Amendment No. 6 to the Credit Agreement dated as of June 21, 2019, as further amended by Amendment No. 7 to the Credit Agreeme dated as of October 21, 2021 and as further amended by Amendment No. 8 to the Credit Agreement dated as of December 9, 2022), by and among Hilton Worldwide Holdings Inc., Hilton Worldwide Parent LLC, Hilton Domestic Operating Company, Inc., the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent, collateral agent, swing line lender and L/C issuer and the other lenders party thereto from time to time (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 5, 2023).
10.37	Form of 2023 Performance Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023).*
10.38	Form of 2023 Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023).*
10.39	Form of 2023 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023).*

Exhibit Number	Exhibit Description
10.40	Second Amended and Restated License Agreement, dated as of November 6, 2024, by and between Hilton Worldwide Holdings Inc. and Hilton Grand Vacations, Inc.
10.41	Amendment No. 10, dated as of November 8, 2023, to the Credit Agreement, dated as of October 25, 2013 (as amended by Amendment No. 1 to the Credit Agreement dated as of August 18, 2016, as further amended by Amendment No. 2 to the Credit Agreement dated as of November 21, 2016, as further amended by Amendment No. 3 to the Credit Agreement dated as of March 16, 2017, as further amended by Amendment No. 4 to the Credit Agreement dated as of April 19, 2018, as further amended by Amendment No. 5 to the Credit Agreement dated as of June 5, 2019, as further amended by Amendment No. 6 to the Credit Agreement dated as of June 21, 2019, as further amended by Amendment No. 7 to the Credit Agreement dated as of October 21, 2021, as further amended by Amendment No. 8 to the Credit Agreement dated as of December 9, 2022 and as further amended by Amendment No. 9 to the Credit Agreement dated as of January 5, 2023), by and among Hilton Worldwide Holdings Inc., Hilton Worldwide Parent LLC, Hilton Domestic Operating Company, Inc., the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent and collateral agent and the other lenders party thereto from time to time (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 8, 2023).
10.42	Form of 2024 Performance Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024).*
10.43	Form of 2024 Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024).*
10.44	Form of 2024 Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024).*
10.45	Amendment No. 11, dated as of June 14, 2024, to the Credit Agreement, dated as of October 25, 2013 (as amended by Amendment No. 1 to the Credit Agreement dated as of August 18, 2016, as further amended by Amendment No. 2 to the Credit Agreement dated as of November 21, 2016, as further amended by Amendment No. 3 to the Credit Agreement dated as of March 16, 2017, as further amended by Amendment No. 4 to the Credit Agreement dated as of April 19, 2018, as further amended by Amendment No. 5 to the Credit Agreement dated as of June 5, 2019, as further amended by Amendment No. 6 to the Credit Agreement dated as of June 21, 2019, as further amended by Amendment No. 7 to the Credit Agreement dated as of October 21, 2021, as further amended by Amendment No. 8 to the Credit Agreement dated as of December 9, 2022, as further amended by Amendment No. 9 to the Credit Agreement dated as of January 5, 2023 and as further amended by Amendment No. 10, dated as of November 8, 2023), by and among Hilton Worldwide Holdings Inc., Hilton Worldwide Parent LLC, Hilton Domestic Operating Company Inc., the other guarantors party thereto from time to time, Deutsche Bank AG New York Branch as administrative agent and collateral agent and the other lenders party thereto from time to time (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 14, 2024).
19	Insider Trading Policy.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP.
31.1	Certificate of Christopher J. Nassetta, President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certificate of Kevin J. Jacobs, Chief Financial Officer and President, Global Development, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certificate of Christopher J. Nassetta, President and Chief Executive Officer, pursuant to Section 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certificate of Kevin J. Jacobs, Chief Financial Officer and President, Global Development, pursuant to Section 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
97	Hilton Worldwide Holdings Inc. Incentive Compensation Clawback Policy (incorporated by reference to Exhibit 97 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023).
101.INS	Inline XBRL Instance Document - this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.

Exhibit Number	Exhibit Description
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* This document has been identified as a management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Item 16. Form 10-K Summary

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 6th day of February 2025.

HILTON WORLDWIDE HOLDINGS INC.

By: /s/ Christopher J. Nassetta
Name: Christopher J. Nassetta
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities indicated on the 6th day of February 2025.

Signature	**Title**
/s/ Christopher J. Nassetta Christopher J. Nassetta	President, Chief Executive Officer and Director (principal executive officer)
/s/ Jonathan D. Gray Jonathan D. Gray	Chairman of the Board of Directors
/s/ Charlene T. Begley Charlene T. Begley	Director
/s/ Chris Carr Chris Carr	Director
/s/ Melanie L. Healey Melanie L. Healey	Director
/s/ Raymond E. Mabus, Jr. Raymond E. Mabus, Jr.	Director
/s/ Judith A. McHale Judith A. McHale	Director
/s/ Elizabeth A. Smith Elizabeth A. Smith	Director
/s/ Douglas M. Steenland Douglas M. Steenland	Director
/s/ Kevin J. Jacobs Kevin J. Jacobs	Chief Financial Officer and President, Global Development (principal financial officer)
/s/ Michael W. Duffy Michael W. Duffy	Senior Vice President, Chief Accounting and Risk Officer (principal accounting officer)

Exhibit 10.42

Execution Version

SECOND AMENDED AND RESTATED LICENSE AGREEMENT

by and between

HILTON WORLDWIDE HOLDINGS INC.

and

HILTON GRAND VACATIONS INC.

Dated as of November 6, 2024

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* As set forth in the Original Agreement

SECOND AMENDED AND RESTATED HGV LICENSE AGREEMENT

This SECOND AMENDED AND RESTATED HGV LICENSE AGREEMENT (the or this "Agreement"), dated as of November 6, 2024 (the "Amendment Effective Date"), is entered into by and between Hilton Worldwide Holdings Inc., a Delaware corporation ("Licensor"), and Hilton Grand Vacations Inc., a Delaware corporation ("Licensee"). Each of Licensor and Licensee is referred to herein as a "Party" and collectively, as the "Parties."

WITNESSETH:

WHEREAS, Licensor and Licensee are parties to that certain original HGV License Agreement, dated as of January 2, 2017 (the "Original Agreement"), pursuant to which Licensor, which, directly or indirectly, owns the Licensed IP and possesses the Hilton Data, licensed the Licensed IP and Hilton Data to Licensee for use in its Vacation Ownership Business, subject to the terms and conditions of the Original Agreement;

WHEREAS, in connection with the acquisition by Licensee of that certain Vacation Ownership Business of Diamond Resorts International, Inc., a Delaware corporation ("Diamond"), which acquisition was consummated on August 2, 2021 (such acquisition, the "Diamond Merger," and such date of acquisition consummation, the "Diamond Closing Date"), the Parties entered into the Amended and Restated License Agreement (the "A&R Agreement"), dated as of March 10, 2021, and that certain First Amendment to the Amended and Restated License Agreement, dated as of April 4, 2022 (the "First Amendment" and such date, the "First Amendment Date"), in furtherance of the integration of the Diamond Business with the business of Licensee (the "Diamond Integration");

WHEREAS, in connection with the acquisition by Licensee of that certain Vacation Ownership Business of Bluegreen Vacations Holding Corporation, a Florida corporation ("Bluegreen"), which acquisition was consummated on January 17, 2024 (such acquisition transaction, the "Bluegreen Merger," and such date of acquisition consummation, the "Bluegreen Closing Date"), the Parties entered into that certain Second Amendment to the Amended and Restated License Agreement, dated as of November 5, 2023 (the "Second Amendment" and such date, the "Second Amendment Date"), and that certain Third Amendment to the Amended and Restated Agreement, dated as of January 16, 2024 (the "Third Amendment," and together with the A&R Agreement, the First Amendment and the Second Amendment, the "Existing Agreement"), in furtherance of the integration of the Bluegreen Business with the business of Licensee (the "Bluegreen Integration");

WHEREAS, Licensor has provided its prior written consent to the Diamond Merger and the Bluegreen Merger; and

WHEREAS, in furtherance of the Bluegreen Integration, the Parties desire to amend and restate the Existing Agreement by entering into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I
LICENSES

Section 1.1 Trademark License.

(a) Subject to the terms and conditions herein, during the Term, Licensor hereby grants to Licensee a license to use the Licensed Marks as Trademarks in the Territory in connection with the current and future operation of the Licensed Vacation Ownership Business. Such license shall be exclusive for the Term. For clarity, (i) the above license covers only the exact Licensed Marks, and Licensee may not use the term "Hilton" standing alone or, except as permitted by the Licensor Brand Identity Guidelines any variations, derivatives, abbreviations or stylizations of the Licensed Marks, in each case, without Licensor's prior written consent, and (ii) the above exclusivity means that, during the Term, Licensor will not use (or allow others to use) the Licensed Marks in connection with the Licensed Vacation Ownership Business.

(b) Without the prior written consent of Licensor, Licensee shall not (i) bid for, purchase, register or use the term "Hilton" or any other Trademark owned by Licensor or its Subsidiaries as or as part of any key word, ad word, metatag or similar device designed to attract viewers or users in online, social, mobile or other media or (ii) link to or frame any website, online, social or mobile media property or venue of Licensor that Licensee is not already linking to or framing as of the Effective Date, regardless of whether the foregoing constitutes trademark use under applicable Laws.

(c) Licensee hereby grants to Licensor and its Subsidiaries a non-exclusive sublicense during the Term to (i) use the Licensed Marks and (ii) use and exercise the intellectual property rights in the Licensed Content, in each case, to the extent necessary to advertise and promote the Licensed Vacation Ownership Business on Licensee's behalf during the Term. Licensee may further sublicense the above license in connection with the foregoing.

Section 1.2 Content License. Subject to the terms and conditions herein, during the Term, Licensor hereby grants to Licensee a license to use, reproduce, distribute, perform and display the Licensed Content in the Territory solely in connection with the current and future operation of the Licensed Vacation Ownership Business. Such license shall be exclusive for the Noncompetition Term and non-exclusive for the remainder of the Term. Licensee may modify Licensed Content for format or technical reasons, but may not make substantive or artistic changes thereto, without Licensor's prior written consent.o

Section 1.3 Software Licenses.

(a) Licensor hereby at its option (i) grants to Licensee a non-exclusive sublicense or (ii) agrees to cause an Affiliate to grant to Licensee a non-exclusive license, in each case, during the Term to use the Licensed Software in connection with the Licensed Vacation Ownership Business. Licensee shall comply with all terms and conditions of the applicable license or sublicense (which shall be equivalent in all material respects to the then-current version of the Hilton Information Technology System Agreement) in connection with such use.

(b) Licensor hereby grants to Licensee the non-exclusive right during the Term to access the Licensed System and provide the Licensed System with information as to the current inventory of vacant rooms at Licensed Vacation Ownership Properties.

Section 1.4 Data Access. Subject to the terms and conditions herein, Licensor hereby grants to Licensee the rights to use the Hilton Data as set forth in Section 14.2(b).

Section 1.5 Marketing Rights.

(a) Subject to the terms and conditions herein, during the Noncompetition Term, Licensor hereby grants to Licensee the right to market the Licensed Vacation Ownership Business at Licensor's corporate-level advertising channels, including websites and social media properties (but not the channels of individual Hilton-branded properties). No additional fee or cost shall be payable by Licensee to Licensor for the marketing rights described in this Section 1.5(a).

(b) Licensee may request Licensor's cooperation for additional marketing or resourcing, exclusively for marketing the Licensed Vacation Ownership Business; provided that, Licensee will bear all actual costs and expenses associated therewith.

(c) The foregoing marketing rights in (a) and (b) are exclusive, meaning that during the Noncompetition Term, Licensor will not allow any other Person to market a Vacation Ownership Business through such channels.

Section 1.6 Brand Displays. Licensor acknowledges and agrees that during the Noncompetition Term, Licensor shall, wherever legally permissible, include (a) the Licensed Mark "Hilton Grand Vacations" on its brand bar, and similar displays where Licensor advertises all of the Hilton Marks for the Licensor Lodging Business, and (b) inventory of transient rentals for the Licensed Vacation Ownership Properties in all proprietary and third-party advertising venues that list such inventory for the Licensor Lodging Business, in each case, in the same manner and quality Licensor provided prior to the date of this Agreement.

ARTICLE II
EXCLUSIVITY AND RESERVED RIGHTS

Section 2.1 Intentionally Omitted. Section

2.2 Exclusivity.

(a) Until December 31, 2051 (the "Initial Noncompetition Term"), Licensor will not: (x) engage or license any Person to engage in the Vacation Ownership Business worldwide under any Trademark; (y) use or license any Person to use the Licensed IP or Hilton Data in connection with the Vacation Ownership Business; and/or (z) allow any Person engaged in the Vacation Ownership Business, other than Licensee, to participate in the Loyalty Program.

(b) The Initial Noncompetition Term shall be extended for additional 10-year terms (each 10-year term, a "Renewal Noncompetition Term" and together with the Initial Noncompetition Term, the "Noncompetition Term"), if Licensee satisfies the criteria in either clause (i) or (ii) below in calendar year 2051 (or the final calendar year of any Renewal Noncompetition Term) (each, a "Measuring Year"):

(i) Licensee's Gross Revenues in a Measuring Year must be equal to or greater than 80% of $1,493,000,000 USD (Licensee's 2016 projected Gross Revenues) as inflated to such Measuring Year dollars by the CPI Adjustment. For example, if Licensee had 2016 Gross Revenues of $100 USD, and that translated into $300 in projected Gross Revenues in 2051 due to CPI Adjustments, Licensee's minimum 2051 revenue to renew the Noncompetition Term until December 31, 2061 would be $240; or

(ii) Licensee must generate the sum of the Gross Sales Price and Fee For Services Sales Price in a Measuring Year that rank first, second or third among Vacation Ownership Business worldwide, based on revenues disclosed in audited financial reports for such Measuring Year (or a comparable mutually-agreed metric, if such annual contract sales are no longer publicly reported).

(c) If Licensee does not satisfy clause (i) or (ii) during a Measuring Year, Licensee may retain the Noncompetition Term for one year terms by paying Licensor 5% of the shortfall between Licensee's actual Gross Revenues for the Measuring Year and 100% of Licensee's projected Gross Revenues for the Measuring Year as set forth in clause (i) (each, a "Shortfall Payment"). The Shortfall Payment shall be due within 30 days after the end of the Measuring Year. For example, if Licensee had 2016 Gross Revenues of $100, and that translated into $300 in projected Gross Revenues in 2051 due to CPI Adjustments, and Licensee's Gross Revenues were $220 in 2051, that would be a shortfall of $80, and Licensee would submit a Shortfall Payment of $80 times 5% for the Royalty, or $4.

(d) Licensee shall be allowed a maximum of five consecutive Shortfall Payments during any Renewal Noncompetition Term, with no carryover of unused Shortfall Payments into the next Renewal Noncompetition Term. If during any year of noncompetition afforded by a Shortfall Payment, Licensee satisfies clause (i) or (ii), the Noncompetition Term shall be extended by a 10-year Renewal Noncompetition Term beginning at the end of the prior Measuring Year. For example, if Licensee's Gross Revenues are $220 in 2051, Licensee would make the above $4 Shortfall Payment for 2051, and if in 2052 Licensee's Gross Revenues meet the target, the Noncompetition Term would renew until December 31, 2061. If after five consecutive Shortfall Payments, Licensee fails to satisfy clauses (i) or (ii), the Noncompetition Term expires on December 31st in the year in which the last Shortfall Payment was made.

(e) If the Noncompetition Term terminates under Section 2.2(a), Section 2.2(f) or Section 2.6(a), Licensor shall notify Licensee of same in writing. Thereafter, Licensee will continue to be bound by its obligations in this Agreement including Article IX, but Licensor may (and may assist or allow other Persons to) engage in the Vacation Ownership Business in any form and under any Trademark (other than "HGV," "Hilton Grand Vacations," "Hilton Grand Vacations Club," Hilton Vacation Club, or other New Brand) worldwide for the remainder of the Term.

(f) If Licensee's aggregate Gross Revenues, Diamond Converted Brand Gross Revenues, Bluegreen Converted Brand Gross Revenues, and Bass Pro Gross Revenues, in each case derived from the sale of products or services using the Licensed Marks or New Licensed Marks or for other services provided with respect to Licensed Vacation Ownership Properties, Diamond Converted Brand Properties, and Bluegreen Converted Brand Properties during any calendar year of the Noncompetition Term are less than sixty-seven percent (67%) of the total revenues disclosed in the audited financial reports of Licensee for such calendar year, then, subject to this Section 2.2(f), Licensor shall have the option, by written notice to Licensee, to immediately terminate the Noncompetition Term, in which case the rights and obligations of Licensee and Licensor set forth in Section 2.2(e) shall apply.

Section 2.3 Licensor's Reserved Rights. Licensor reserves all rights not expressly licensed to Licensee hereunder, including without limitation, the right to Operate any business or properties and/or use the Licensed IP and Hilton Data in any manner that does not violate Licensee's exclusive rights herein.
Licensor may sell, assign or license the Hilton Marks (other than the Licensed Marks) without Licensee's consent, and any acquirer, assignee or licensee shall have no obligation to Licensee herein.

Section 2.4 Licensee's Reserved Rights. Licensee reserves the right to engage in any activity worldwide not expressly prohibited in this Agreement.

Section 2.5 Similar Lines of Business. Licensee may engage in the Fractional Vacation Club Business and the Whole Ownership Business, as a Separate Operation (or as part of the Licensed Vacation Ownership Business, subject to Licensor's prior written consent), at any time during the Term. Licensor may engage in the Fractional Vacation Club Business and the Whole Ownership Business at any time during the Term.

Section 2.6 Licensor Transactions.

(a) Notwithstanding Section 2.2(a), if at any time during the Noncompetition Term, Licensor merges with or acquires direct or indirect Control of a Person that operates a Vacation Ownership Business as well as a Lodging Business (in either an equity or asset acquisition), Licensor shall use commercially reasonable efforts to allow Licensee to acquire or manage such acquired Vacation Ownership Business (the "Acquired Vacation Business") as a Licensed Vacation Ownership Business herein. For the avoidance of doubt, Licensor has no obligation to include Licensee in any pre-closing discussions or negotiations with the third-party counter-party and may elect to present Licensee with the opportunity to acquire or manage the Acquired Vacation Business only after closing of the business transaction and, in either case, Licensor may proceed with the transaction whether or not Licensee acquires or manages the Acquired Vacation Business. For the avoidance of doubt, during the Noncompetition Term Licensor may not merge with or acquire direct or indirect Control of a Person that operates solely a Vacation Ownership Business.

(b) If Licensee does not acquire or manage the acquired Vacation Ownership Business: (i) Licensor shall have no further obligations to include Licensee in the ownership or

management of the Acquired Vacation Business; (ii) Licensor may merge its Loyalty Program with the loyalty program of the Acquired Vacation Business and, notwithstanding the exclusivity and non- competition provisions herein, compete in the Vacation Ownership Business using the Hilton Marks (but not the Licensed Marks), Hilton Data and the Loyalty Program in connection with such Acquired Vacation Business; and (iii) during the Noncompetition Term, Licensor shall use Reasonable Best Efforts to continue to provide Licensee the Licensed IP and Hilton Data on a basis comparable to Licensor's past practice under this Agreement.

(c) If, on the closing date for the acquisition of the Acquired Vacation Business, 90% of all ownership interests, use rights, or other entitlements to use overnight accommodations in the Vacation Ownership Properties within such business ("Acquired Vacation Property Inventory") have been sold to Persons for their own use such that the Acquired Vacation Property Inventory is not being actively marketed, during the Noncompetition Term, Licensor shall not use the Hilton Data to sell any newly created Acquired Vacation Property Inventory or develop new Vacation Ownership Properties under the Acquired Vacation Business unless Licensee is given the right of first offer to manage such properties. However, Licensor shall be permitted to use the Hilton Data to sell any existing unsold Acquired Vacation Property Inventory or existing Acquired Vacation Property Inventory that may become available through foreclosure or otherwise comes available to Licensor.

ARTICLE III
FEES

Section 3.1 Royalty Fees. Subject to Section 3.2 and Section 3.3, the following shall apply.

(a) General.

(i) Licensee shall pay to Licensor a royalty (the "Royalty") for the rights granted to Licensee under this Agreement in an amount equal to five percent (5%) of Gross Revenues.

(ii) Except for the limited exception for Non-Licensed Existing Projects below, if Licensee develops Vacation Ownership Properties or acquires Vacation Ownership Properties from a Person other than a Hilton Competitor and they are not operated as Separate Operations, the Royalty shall apply to such Vacation Ownership Properties as if they were Licensed Vacation Ownership Properties, even if such properties are not Licensed Vacation Ownership Properties. The Royalty shall also apply to all Transient Rental Revenue at any Vacation Ownership Properties that use the Licensed IP or Hilton Data. For clarity, Licensee shall not owe a Royalty arising out of its Vacation Ownership Properties that are operated as Separate Operations.

(iii) If Licensee permits Non-Licensed Existing Projects, or other non-licensed Vacation Ownership Properties with which Licensee has entered into a Marketing Agreement pursuant to Section 9.6(d), to be exchanged pursuant to an arrangement between the Licensed Exchange Program and a non-licensed Exchange Program whereby individual owners of the non- licensed Vacation Ownership Properties do not have full access to the Loyalty Program through the Licensed Exchange Program, then the Royalty shall be due only on the applicable Club Revenue portion of the Gross Revenue. If Hilton Data is used to market the sale of units at Non- Licensed Existing Projects, then the Royalty shall be due on Gross Sales Price, Club Revenue, and Marketing Package Revenues.

(b) Application. A sale occurs for Royalty purposes pursuant to Section 3.1(a) with respect to the initial sale or re-sale of an interest in Licensed Vacation Ownership Property when all of the following conditions have been satisfied, regardless of when, or whether, any part of the Gross Sales Price or Fee For Services Sales Price are actually paid to, or received by or on behalf of, Licensee.

(i) A written agreement ("Purchase Contract") is executed by a purchaser and has been accepted by Licensee pursuant to which such purchaser contractually commits to acquire such interest;

(ii) With respect to purchase money financing provided by or through Licensee or its Affiliates, if any, such purchaser has duly executed all applicable sales and purchase money financing documents in respect of such Purchase Contract;

(iii) Such purchaser has duly tendered payment of the full purchase price in respect of such Purchase Contract (or full installments thereof in the case of purchase money financing, as applicable) by cash, by check which has cleared, or by credit card which has been duly processed) to either (x) Licensee or its Affiliates or (y) a fiduciary, escrow agent, trustee or other independent third-party designated by Licensee or its Affiliates, as may be required by applicable Laws;

(iv) All rescission periods applicable to such Purchase Contract have expired, without any such right of rescission having been exercised; and

(v) All pre-conditions set forth in such Purchase Contract and any legal requirements under the applicable Laws in order to close the transaction which is the subject of the Purchase Contract as set forth in such Purchase Contract shall have been duly satisfied, without the purchaser having exercised any right of cancellation afforded such purchaser under the terms of such Purchase Contract or under the applicable Laws.

(vi) To the extent that the sale of a Licensed Vacation Ownership Property meets (i) through (v) above, but such Licensed Vacation Ownership Property has not achieved a Certificate of Occupancy granted by relevant municipalities that approve the use by a purchaser of the Licensed Vacation Ownership Property, the sale for Royalty purposes will be multiplied by the Percentage of Completion. The Percentage of Completion will be calculated and applied to such Licensed Vacation Ownership Property each reporting period until such time that the LicensedVacation Ownership Property achieves its Certificate of Occupancy, at which time and for all periods thereafter, the Percentage of Completion will be 100%.

(c) The Gross Sales Price or Fee For Services Sales Price shall, for purposes of calculating the Royalty under Section 3.1(a), exclude the amount attributable to a gross up for imputed interest associated with a zero percent (0%) or below market interest rate program used in relation to financing a purchaser's acquisition of interests in a Licensed Vacation Ownership Property, but only where the Gross Sales Price or Fee For Services Sales Price is offered at different amounts to the customers on a programmatic basis, depending on the financing or payment terms selected by the customer.

Section 3.2 Royalty Related to Certain Diamond Business and Bluegreen Business During the Acquisition Integration Periods.

(a)

(i) Subject to Section 3.2(b), Licensee shall pay to Licensor the adjusted Royalty for all Diamond Converted Brand Gross Revenue and Bluegreen Converted Brand Gross Revenue in exchange for the rights granted to Licensee under this Agreement in accordance with the following schedule (such adjusted Royalty related to Diamond Converted Brand Gross Revenue is referred to as "Diamond Converted Brand Royalty," and such adjusted Royalty related to Bluegreen Converted Brand Gross Revenue is referred to as "Bluegreen Converted Brand Royalty"):

Adjusted Royalty for Diamond Converted Brand Gross Revenue	Adjusted Royalty for Bluegreen Converted Brand Gross Revenue
• September 1, 2021 through August 31, 2022 (Year 1): 2.0%; • September 1, 2022 through August 31, 2023 (Year 2): 2.0%; • September 1, 2023 through August 31, 2024 (Year 3): 3.0%;] • September 1, 2024 through August 31, 2025 (Year 4): 4.0%; and • September 1, 2025 through August 31, 2026 (Year 5) and thereafter: 5.0%.	• January 1, 2024 through December 31, 2024 (Year 1): 3.0%; • January 1, 2025 through December 31, 2025 (Year 2): 3.0%; • January 1, 2026 through December 31, 2026 (Year 3): 4.0%; and • January 1, 2027 through December 31, 2027 (Year 4) and thereafter: 5.0%

(ii) Notwithstanding the foregoing Section 3.2(a)(i), for each of Year 1 and Year 2, the Bluegreen Converted Brand Royalty payable by Licensee to Licensor shall be equal to the amount that is the greater of (i) the Bluegreen Converted Brand Royalty for such Year as actually calculated in accordance with Section 3.2(a)(i) and (ii) the "Minimum Bluegreen Converted Brand Royalty" set forth on Schedule 3.2(a)(ii) for such Year.

(iii) As used herein, each "Year" is (a) in the case of Diamond, a 12-month period that began on September 1, 2021 and subsequent annual anniversaries of such date and (b) in the case of Bluegreen, a 12-month period that began on January 1, 2024 and subsequent annual anniversaries of such date.

(b) At the end of each calendar year after the Amendment Effective Date (i.e., December 31, 2024) and ending as of the end of the last year indicated on Schedule 5.10(a) with respect to the Diamond Rebrand Plan and Schedule 5.10(b) with respect to the Bluegreen Rebrand Plan (with each such year-end date being deemed the "*Measurement Date*"), the Parties shall measure the progress of the Diamond Rebrand Plan (per Schedule 5.10(a)) and the Bluegreen Rebrand Plan (per Schedule 5.10(b)).

(c) Notwithstanding the Diamond Converted Brand Royalty schedule set forth in Section 3.2(a) above,

(i) to the extent there is a shortfall in the measurement of Cumulative Rooms Converted thresholds for each applicable Measurement Date as set forth in the Diamond Rebrand Plan, the following provisions shall apply:

(A) if on the Measurement Date, Licensee has not converted the minimum number of rooms at the Diamond Properties to satisfy the applicable Cumulative Rooms Converted thresholds as set forth in the Diamond Rebrand Plan, then in lieu of the Diamond Converted Brand Royalty, Licensee shall pay the applicable "*Adjusted Diamond Converted Brand Royalty*" (set forth on Schedule 5.10(a)) for such year based on the actual shortfall of the Cumulative Rooms Converted in accordance with the Diamond Rebrand Plan; and

(B) notwithstanding the foregoing subclause (i)(A) above, if Licensee satisfies the Cumulative Rooms Converted in future years as measured on the applicable Measurement Date, the Adjusted Diamond Converted Brand Royalty shall cease to apply and instead the calculation shall revert back to the original Diamond Converted Brand Royalty (as set forth in Section 3.2(a) and detailed on Schedule 5.10(a)) for future years until if and when Licensee shall have failed to meet the Cumulative Rooms Converted thresholds as of future Measurement Dates.

(ii) If Licensee shall have failed to achieve the Cumulative Rooms Converted for Diamond of 9,720 by September 30, 2031, Licensor shall have the option, by written notice to Licensee, to prohibit future offering and sales of HGV Max.

(iii) If Licensee shall have achieved the *Cumulative Rooms Converted* of at least 9,720 for Diamond but less than 10,800 by September 30, 2031, Licensee shall have until September 30, 2032 (the "Diamond Extension Period") to achieve the *Cumulative Rooms Converted* target of 10,800. For the purposes of this paragraph (iii) only, Licensee shall be permitted to achieve such target by including and/or substituting properties and rooms that are currently not part of the Diamond Properties, as of the First Amendment Date, so long as (1) such properties or rooms have been converted into Licensed Vacation Ownership Properties or rooms thereof before September 30, 2032, and (2) access to, or rights to use, such rooms as accommodations (i.e., inventory) have been contributed to, and made available as part of, the Diamond Collections (such replacement properties or rooms, the "Diamond Substitution Inventory"). Notwithstanding the foregoing right of inclusion and substitution, if Licensee shall have failed to achieve the Cumulative Rooms Converted of 10,800 (inclusive of the Diamond Substitution Inventory) by September 30, 2032, Licensor shall have the option, by written notice to Licensee, to prohibit future offering and sales of HGV Max.

(iv) If Licensor does exercise the option described in paragraphs (ii) or (iii) above (the "HLT Diamond Option"), Licensee shall have 180 days from the receipt of such notice to take all reasonable actions to cease all such future offering and sales of such products using the Licensed Marks (the "Diamond Converted Brand Restriction"); provided, however, the foregoing Diamond Converted Brand Restriction shall not apply to the sale and offering of products using "HGV," "Hilton Grand Vacations," "Hilton Grand Vacations Club," "Hilton Vacations Club," "HGV Max," or any other Licensed Marks that were in use by Licensee as of the Amendment Effective Date.

(v) For the avoidance of doubt, the foregoing Diamond Converted Brand Restriction, including the HLT Diamond Option related thereto, shall terminate immediately upon Licensee achieving the Cumulative Rooms Converted target of 10,800 (inclusive of the Diamond Substitution Inventory).

(d) Notwithstanding the Bluegreen Converted Brand Royalty schedule set forth in Section 3.2(a) above,

(i) to the extent there is a shortfall in the measurement of Cumulative Rooms Converted thresholds for each applicable Measurement Date as set forth in the Bluegreen Rebrand Plan:

(A) if on the Measurement Date, Licensee has not converted the minimum number of rooms at the Bluegreen Properties to satisfy the applicable Cumulative Rooms Converted thresholds as set forth in the Bluegreen Rebrand Plan, then in lieu of the Bluegreen Converted Brand Royalty, Licensee shall pay the applicable "*Adjusted Bluegreen Converted Brand Royalty*" (set forth on Schedule 5.10(b)) for such year based on the actual shortfall of the Cumulative Rooms Converted in accordance with the Bluegreen Rebrand Plan; and

(B) notwithstanding the foregoing subclause (i)(A) above, if Licensee satisfies the Cumulative Rooms Converted in future years as measured on the applicable Measurement Date, the Adjusted Bluegreen Converted Brand Royalty shall cease to apply and instead the calculation shall revert back to the original Bluegreen Converted Brand Royalty (as set forth in Section 3.2(a) and detailed on Schedule 5.10(a)) for future years until if and when Licensee shall have failed to meet the Cumulative Rooms Converted thresholds as of future Measurement Dates.

(ii) If Licensee shall have failed to achieve the Cumulative Rooms Converted for Bluegreen of 5,659 by September 30, 2032, Licensor shall have the option, by written notice to Licensee, to prohibit future offering and sales of HGV Max.

(iii) If Licensee shall have achieved the Cumulative Rooms Converted for Bluegreen of at least 5,659 but less than 6,291 by September 30, 2032, Licensee shall have until September 30, 2033 (the "Bluegreen Extension Period") to achieve the Cumulative Rooms Converted target of 6,291. For the purposes of this paragraph (iii) only, Licensee shall be permitted to achieve such target by including and/or substituting properties and rooms that are currently not part of the Bluegreen Properties, as of the Second Amendment Date, so long as (1) such properties or rooms have been converted into Licensed Vacation Ownership Properties or rooms thereof before September 30, 2033, and (2) access to, or rights to use, such rooms as accommodations (i.e., inventory) have been contributed to, and made available as part of, the Bluegreen Club (such replacement properties or rooms, the "Bluegreen Substitution Inventory"). Notwithstanding the foregoing right of inclusion and substitution, if Licensee shall have failed to achieve the Cumulative Rooms Converted for Bluegreen of 6,291 (inclusive of the Bluegreen Substitution Inventory) by September 30, 2033, Licensor shall have the option, by written notice to Licensee, to prohibit future offering and sales of HGV Max.

(iv) If Licensor does exercise the option described in paragraphs (ii) or (iii) above (the "HLT Bluegreen Option"), Licensee shall have 180 days from the receipt of such notice to take all reasonable actions to cease all such future offering and sales of such products using the Licensed Marks (the "Bluegreen Converted Brand Restriction"); provided, however, the foregoing Bluegreen Converted Brand Restriction shall not apply to the sale and offering of products using "HGV," "Hilton Grand Vacations," "Hilton Grand Vacations Club," "Hilton Vacations Club," "HGV Max," or any other Licensed Marks that were in use by Licensee as of the Amendment Effective Date.

(v) For the avoidance of doubt, the foregoing Bluegreen Converted Brand Restriction, including the HLT Bluegreen Option related thereto, shall terminate immediately upon Licensee achieving the Cumulative Rooms Converted target of 6,291 (inclusive of the Bluegreen Substitution Inventory).

(e) HOA Expenses Related to the Diamond Business and the Bluegreen Business.

(i) Licensee shall pay to Licensor the adjusted Royalty for Diamond Converted Brand Eligible HOA Expenses and Bluegreen Converted Brand Eligible HOA Expenses in accordance with the following schedule:

Adjusted Royalty for Diamond Brand Eligible HOA Expenses	Adjusted Royalty for Bluegreen Brand Eligible HOA Expenses
• September 1, 2021 through August 31, 2022 (Year 1): 0.0%; • September 1, 2022 through August 31, 2023 (Year 2): 0.5%; • September 1, 2023 through August 31, 2024 (Year 3): 1.0%;] • September 1, 2024 through August 31, 2025 (Year 4): 1.5%; and • September 1, 2025 through August 31, 2026 (Year 5) and thereafter: 1.5%.	• January 1, 2024 through December 31, 2024 (Year 1): 0.5%; • January 1, 2025 through December 31, 2025 (Year 2): 0.5%; • January 1, 2026 through December 31, 2026 (Year 3): 1.0%; and • January 1, 2027 through December 31, 2027 (Year 4) and thereafter: 1.5%

(ii) The adjusted Royalty provision above for (x) Diamond Converted Brand Eligible HOA Expenses shall apply only to Diamond Converted Brand Licensed Vacation Ownership Properties resulting from the Diamond Properties Conversion and (y) Bluegreen Converted Brand Eligible HOA Expenses shall apply only to Bluegreen Converted Brand Licensed Vacation Ownership Properties resulting from the Bluegreen Properties Conversion, in each case in accordance with Section 5.10.

Section 3.3 Intentionally Omitted.

Section 3.4 Royalty Related to Bass Pro or Choice; Grandfathered Bluegreen Owners Revenue.

(a) Starting on the Bluegreen Royalty Commencement Date, Licensee shall pay to Licensor the adjusted Royalty ("Bluegreen Grandfathered Royalty") set for the below for all Bass Pro Gross Revenue, Choice Gross Revenue, and Grandfathered Bluegreen Owners Revenue in exchange for the rights granted to Licensee:

(i) During Year 1 of the Bluegreen Integration Period: 1.0%;

(ii) During Year 2 of the Bluegreen Integration Period: 1.0%;

(iii) During Year 3 of the Bluegreen Integration Period: 2.0%;

(iv) During Year 4 of the Bluegreen Integration Period and thereafter: 2.5%.

(b) Notwithstanding paragraph (a) above:

(i) if the aggregate Bass Pro Gross Revenue exceed fifteen percent (15%) of Licensee's contract sales that are used to calculate Gross Revenues, Diamond Converted Brand Gross Revenue, Bluegreen Converted Brand Gross Revenue (for clarity, without any duplication), in the aggregate, in any calendar quarter, Bluegreen Grandfathered Royalty applicable for any Bass Pro Gross Revenue in excess of such 15% threshold shall equal 5.0% during such calendar quarter (but only for such calendar quarter); and

(ii) Bluegreen Grandfathered Royalty with respect to Choice Gross Revenue will only accrue and be payable beginning in the calendar quarter in which the fifth Bluegreen Property has been rebranded into a Licensed Vacation Ownership Property.

Section 3.5 No Duplication of Royalty. The Royalty that is calculated pursuant to Section 3.1 shall not apply to, and will be without any duplication of: (a) any of the revenues that are used to calculate Diamond Converted Brand Royalty pursuant to Section 3.2; (b) any of the revenues that are used to calculate Bluegreen Converted Brand Royalty pursuant to Section 3.3; or (c) any of the revenues that are used to calculate Bluegreen Grandfathered Royalty pursuant to Section 3.4. It is not the intent of the parties for Licensee to pay any duplicate Royalty from the same source of applicable revenues. Accordingly, none of Diamond Converted Brand Royalty, Bluegreen Converted Brand Royalty, and Bluegreen Grandfathered Royalty, in its calculation, shall include revenues used to calculate any other Royalties. Furthermore, the definition of "Licensed Vacation Ownership Properties" as used in Sections 3.1(a) through 3.1(c) shall not include any Diamond Properties or Bluegreen Properties that become Licensed Vacation Ownership Properties in accordance with Section 5.10.

Section 3.6 Additional Fees. In addition to the Royalty, Licensee shall pay to Licensor:

(a) An annual transition fee for the first five years of the Term of $5 million per year.

(b) The then-current Loyalty Program fee for eligible guest folios, subject to caps in place as of the Effective Date for a period of twenty (20) years from the Effective Date. At the end of such twenty (20) year period, the caps will be eliminated and Licensee will pay the same Loyalty Program fee that is in effect for Licensor Lodging Properties. With respect to the New Brand Licensed Vacation Ownership Properties, Licensee will pay the same Loyalty Program fee for eligible guest folios that is currently in effect for Licensor Lodging Properties.

Section 3.7 Other Costs. Licensee shall pay Licensor fees covering Licensor's proportionate costs for Licensee's use of the Licensed Software. Licensee shall pay the non-refundable, up-front installation costs (if any) for the Licensed Software to be installed at any additional Licensed Vacation Ownership Properties, which shall include sales centers that are not in existence as of the Effective Date.

Section 3.8 Reimbursement. Licensee shall reimburse Licensor for its costs (without profits) that would typically be covered by the Program Fee, including marketing campaigns in which Licensee participates under Section 9.5 or Section 9.6 below or enhancements to the Licensed Software that are provided to all of Licensor Lodging Properties, provided that Licensee will pay such costs only for services that Licensee uses. Licensee shall also reimburse Licensor for all costs associated with Call transfer services, GBCS Services used by Licensee, central delivery used by Licensee, third party reservation charges, guest assistance services and the handling of guest complaints, whether such guests are Loyalty Program members or not.

Section 3.9 Licensee Forecasts. At least one month prior to the end of each of Licensor's fiscal years during the Term, Licensee shall provide to Licensor a forecast of its projected Royalties, Diamond Converted Brand Royalties (if applicable), Bluegreen Converted Brand Royalties (if applicable), Bluegreen Grandfathered Royalties (if applicable), Gross Revenues (separated by the categories in the definition of "Gross Revenues" herein), Diamond Converted Brand Gross Revenue (separated by the categories in the definition of "Diamond Converted Brand Gross Revenues" herein, if applicable), Bluegreen Converted Brand Gross Revenue (separated by the categories in the definition of "Bluegreen Converted Brand Gross Revenues" herein, if applicable), Bass Pro Gross Revenue, Choice Gross Revenue, and Grandfathered Bluegreen Owners Revenue for Licensor's upcoming fiscal year, and then after each fiscal year quarter during the Term, Licensee shall provide to Licensor: the actual Royalties; any applicable Diamond Converted Brand Royalties, Bluegreen Converted Brand Royalties, and Bluegreen Grandfathered Royalties; and any applicable Diamond Converted Brand Gross Revenue, Bluegreen Converted Brand Gross Revenue, Bass Pro Revenue, Choice, and Grandfathered Bluegreen Owners Revenue for such prior quarter and an updated rolling forecast of outstanding quarterly royalties for the remainder of Licensor's then current fiscal year.

Section 3.10 Making of Payments. The Royalty and all additional fees due in this Article III shall be paid within thirty (30) days following the end of each calendar quarter. All other payments herein shall be made within thirty (30) days after receipt of an invoice from Licensor. Licensee shall pay via a wire transfer (or other method reasonably designated by Licensor) of immediately available funds, pursuant to Licensor's commercially reasonable instructions. All amounts payable to Licensor shall be invoiced in U.S. dollars unless Licensor otherwise designates another currency. The exchange rate shall be set each month by Licensor as taken from an international reporting service. Licensee shall submit to Licensor, within eight (8) business days after the end of each month, a statement in the form reasonably required by Licensor that includes all Information required by Licensor to determine all due payments hereunder, and on a quarterly basis, such statement will also aggregate the amounts presented on the

monthly statement itemizing the various revenue streams to Licensor that constitute the Royalty. Such Information is not Licensee's Confidential Information and Licensor may use or disclose it for authorized business purposes.

Section 3.11 Interest on Late Payments. If a Party does not make any payment due under this Agreement within fourteen (14) days after its due date, such Party shall pay interest from the due date until the date of payment compounded monthly, at the interest rate of an annual rate equal to the lesser of (a) the prime rate (as published by the Wall Street Journal or, if no longer published, such other similar source as reasonably selected by Licensor) applicable on the date such payment is due and on each date thereafter that interest is compounded, plus eight percentage (8%) points and (b) the highest rate then permitted by applicable Laws.

Section 3.12 Currency and Taxes. Licensee shall bear and be responsible for all taxes, duties and deductions (including any sales, value added, use, excise, gross receipts, income, goods and service taxes, stamp or other duties, fees, deductions, withholdings or other payments, and including penalties and interest as a result of failure to comply) (collectively, "Taxes") levied on, deducted or withheld from, or assessed or imposed on any payments made by Licensee hereunder. If Licensor or its designee pays any such amounts due, then Licensee must reimburse Licensor therefor. Licensee shall gross-up all payments herein so that Licensor receives the same amount that it would have received if no Taxes were applicable.

ARTICLE IV
TERM

Section 4.1 Initial Term. The term of this Agreement begins on the Effective Date and expires on December 31, 2116 (the "Term").

Section 4.2 Extension Term; Tail Period. For a period of thirty (30) years following the Term (if it expires on December 31, 2116 and is not earlier terminated) ("Tail Period"), Licensee shall have a non-exclusive license (but no obligation) to use the Licensed IP (and a non-exclusive right to access and use the Hilton Data and Loyalty Program) in connection with any Licensed Vacation Ownership Properties in existence at the end of the Term (including any new Licensed Vacation Ownership Properties under development and approved by Licensor as of such date), provided that: (a) Licensee complies with all terms and conditions herein; (b) the exclusivity granted in Section 2.2(a) (if not earlier terminated) shall immediately terminate at the expiration of the Term (not including the Tail Period); and (c) Licensee shall be required to pay the Royalty and other payments due under Article III during the Tail Period for so long as such properties use the Licensed IP, Hilton Data or Loyalty Program. All other applicable terms and conditions of this Agreement, including Licensee's requirement to pay all fees in Article III other than the Royalty, shall be in force during the Tail Period.

ARTICLE V
EXISTING AND NEW PROJECTS

Section 5.1 Existing Projects. The Vacation Ownership Properties listed on Exhibit I of the Original Agreement, as may have been updated between the Parties through the date hereof, or as may be updated among the Parties in the future, shall be deemed "Licensed Vacation Ownership Properties" herein. Additionally, Diamond Properties that are approved by Licensor to carry the Diamond Converted Brand and Bluegreen Properties that are approved by Licensor to carry the Bluegreen Converted Brand, in each case pursuant to Section 5.10, shall, in each case, also be deemed "Licensed Vacation Ownership Properties" except when used in Sections 3.1(a) through 3.1(c) as limited by the last sentence of Section 3.5.

Section 5.2 New Projects.

(a) Except with respect to the conversion of New Brand Properties into New Brand Licensed Vacation Ownership Properties, which is covered solely pursuant to Section 5.10 through Section 5.14, if Licensee notifies Licensor that it wishes to develop additional Vacation Ownership Properties that use Hilton Marks (other than the Licensed Marks) either alone or as co-branding with any Licensed Marks, it shall notify Licensor in writing by submitting to Licensor a written application that contains all material information with respect thereto. Licensor may, in its sole discretion, grant Licensee a license to use such additional Trademarks in connection therewith, pursuant to a separate agreement or an amendment to this Agreement.

(b) If Licensee notifies Licensor that it wishes to (i) develop or acquire additional Vacation Ownership Properties that would use the Licensed Marks or (ii) expand the scope or size of an existing Licensed Vacation Ownership Property (if such expansion was not included in the original proposal for the property approved by Licensor), it shall notify Licensor in writing by submitting to Licensor a written application that contains all material information with respect thereto. Licensor shall not unreasonably withhold its approval for such Vacation Ownership Properties to use the Licensed IP and Hilton Data (and upon such approval, such properties shall become "Licensed Vacation Ownership Properties" herein) if the proposed additional Vacation Ownership Property or proposed expansion to an existing Licensed Vacation Ownership Property (each, a "New Property") and Licensee's intended operation thereof complies with the then-current Standards and Agreements and:

(i) the development of the proposed New Property would not breach, or be reasonably likely to breach, any applicable Laws or agreement between Licensor or its Affiliates, including territorial restrictions or areas of protection;

(ii) the proposed New Property will not involve any co-investor that (a) is a Hilton Competitor, (b) is known in the community as being of bad moral character, (c) has been convicted in any court of a felony or other offense that could result in imprisonment for one (1) year or more or a fine or penalty of one million dollars ($1,000,000) (as adjusted annually after the Effective Date by the CPI Adjustment) or more (or is in Control of or Controlled by Persons who have been convicted in any court of felonies or such offenses), or (d) is (or has an Affiliate that is) a Blocked Person; and

(iii) the proposed New Property is not reasonably likely to harm Licensor, the Licensed IP, the Hilton Data or the goodwill associated therewith.

(c) Licensor shall provide the plans and specifications for each New Project to Licensor for review and inspection to ensure that they are in compliance with this Agreement and the Standards and Agreements. Licensee shall pay Licensor a fixed fee for such review. Notwithstanding such review and inspection, as between the Parties, Licensee is responsible for ensuring that all aspects of each New Project comply with all applicable Laws, this Agreement and the Standards and Agreements, and Licensor disclaims all liability for any of same.

Section 5.3 Undeveloped Parcels.

(a) Licensee has listed on Exhibit J of the Original Agreement all real estate owned by Licensee that have not been developed as of the Effective Date ("Undeveloped Parcels"). Licensor hereby approves the Undeveloped Parcels as sites for future New Properties, which shall be subject to Section 5.2.

(b) If Licensee wishes to sell an Undeveloped Parcel (or any part thereof or rights therein) to any Person other than a Hilton Competitor, Licensee will notify Licensor, and for thirty (30) days after such notice, the Parties shall negotiate in good faith towards a sale agreement. If no such agreement is executed in such time period, for 270 days thereafter, Licensee shall be free to execute such sale with such Person, so long as the sale price is at least 95% of the sale price proposed to Licensor. Licensee shall promptly provide Licensor with all information reasonably requested by Licensee to confirm Licensee's compliance with this Section 5.3(b).

(c) If Licensee wishes to sell an Undeveloped Parcel (or any part thereof or rights therein) to a Hilton Competitor, Licensee will notify Licensor, and Licensor shall have a right of first refusal on such purchase for 30 days, on the same terms set forth in the offer from the Hilton Competitor. If the third party offer provides for payment of consideration other than cash, Licensor may offer commercially reasonable cash equivalent.

(d) Licensee agrees that any purported transaction in violation of Licensor's rights in this Section 5.3 shall be deemed null and void at the outset and of no force or effect, and Licensor shall be entitled to equitable relief, including rescission, to effect such nullification.

Section 5.4 Projects at Third-Party Hotels. Licensee shall not participate in a New Property that is a mixed-use development project (whether or not such New Property uses the Licensed IP and/or Hilton Data) that includes Hilton Competitors without Licensor's prior written consent, except for those projects set forth on Exhibit K of this Agreement or such properties (or any interests therein or portions thereof) acquired by Licensee in connection with the Diamond Merger or the Bluegreen Merger, as set forth on Schedule 5.4.

Section 5.5 Future Franchise and Management Agreements. Licensor will use commercially reasonable efforts to ensure that any third-party management, operating and franchise agreements for Licensor Lodging Properties (a) if executed after the Effective Date, include commercially reasonable provisions to ensure that third party hotel owners and franchisees do not (and do not allow other Persons to) operate, promote or sell interests in Vacation Ownership Properties other than Licensed Vacation Ownership Properties in connection with such Licensor Lodging Property; and (b) if executed as of the Effective Date, retain the above-described provisions, if such retention can be achieved with no material concession or liability by Licensor. Licensor shall not be liable to Licensee for any failure to obtain the above provisions, if it exercises the above commercially reasonable efforts in this regard.

Section 5.6 Vacation Ownership Properties at Licensor Lodging Properties.

(a) If a third-party developer of a Licensor Lodging Property intends to develop a Vacation Ownership Property as a component thereof (the "Co-Located Licensor Lodging Property"), Licensor will notify Licensee and use commercially reasonable efforts to allow Licensee to negotiate with such developer to Operate the Vacation Ownership Property as a Licensed Vacation Ownership Property. If, despite such efforts, such counterparty does not offer Licensee such opportunity, Licensor shall have no further obligations to Licensee in this regard (but Licensor's obligations during the Noncompetition Term shall still apply).

(b) If Licensor engages in a mixed-use project that includes a Vacation Ownership Property, Licensor will use commercially reasonable efforts to include Licensee in same, and if Licensee is not included, Licensor shall not allow the Hilton Data or the Loyalty Program to be used to conduct direct marketing activities with respect to the above Vacation Ownership Business component (but shall have no other restriction on the use of Hilton Data or Loyalty Program for such projects).

Section 5.7 Limitations on Licensed Business; Compliance with Contracts.

Licensee shall abide by all territorial and other contractual restrictions applicable to Licensor that relate to the Licensed Vacation Ownership Business and are in effect as of the Effective Date (or thereafter, subject to Licensee's consent). Licensor will not agree to an extension of the duration, or a broadening of the scope, of any such restrictions without Licensee's prior written consent (which shall be required only during the Noncompetition Term), except for extending or renewing such agreements in accordance with their terms. Licensee shall not enter into any agreement with any third party that purports to limit or restrict Licensor's right to Operate Licensor Lodging Properties in any manner that is inconsistent with this Agreement.

Section 5.8 Delegation; Sublicensing.

(a) Licensee may sublicense the Licensed IP

(i) as expressly permitted in this Agreement;

(ii) to Persons other than Licensee who are authorized to manage Licensed Vacation Ownership Properties under Section 8.3(a), to the extent necessary to enable such operation; and

(iii) to its Subsidiaries and their respective suppliers, service providers and contractors, solely (x) to the extent necessary to assist Licensee in conducting the Licensed Vacation Ownership Business, with respect to the Licensed Marks and Licensed Content and (y) with the prior written consent of Licensor for Persons other than Subsidiaries, with respect to the Licensed Software and Licensed System.

(b) Except as permitted above, Licensee may not sublicense the Licensed IP to any Person, or use the Licensed IP for the direct or indirect benefit of any other Person, without Licensor's prior written consent.

(c) Licensee may also sublicense the Licensed Marks to Licensed HOAs, solely to the extent necessary for their operation. Licensee shall ensure that all Licensed HOAs include all information and terms reasonably requested by Licensor (in a form approved by Licensor) in their sales offering documents, sale, deed and other agreements with potential buyers, including provisions that (i) Licensor is a third-party beneficiary with the right to enforce such terms directly against the Licensed HOA and buyer and (ii) the intended buyer is not acquiring any rights in or to use any Licensed IP or Hilton Data. Licensee shall obtain Licensor's prior written consent before signing any agreement with respect to the creation, operation, title, deed or sales provisions of any Licensed HOA. Licensee will, at its expense, submit to Licensor within ninety (90) days request for the same, information regarding the length of the terms, renewal rights and expiration dates of all Licensed HOA management agreements.

(d) Licensee is liable for any act or omission by any of its sublicenses that would breach this Agreement if committed by such Licensee.

(e) The Subsidiaries of each Party may exercise the rights of such Party herein and are bound by the obligations of such Party herein. A Party is liable for any act or omission by any of its Affiliates that would breach this Agreement if committed by such Party.

Section 5.9 Limited Lodging Operations by Licensee. Notwithstanding the prohibition on Licensee operating a Lodging Business in Section 9.1, Licensee may:

(a) On a limited basis, engage in the transient rental of inventory of Vacation Ownership Properties that are held for development and sale and owned or operated by Licensee, its Affiliates, an HOA or a third party with which Licensee or its Affiliates has entered into a development agreement or management agreement (together, "Licensee Parties") or that is controlled by Licensee, its Affiliates or an HOA as a result of a Vacation Ownership Property owner default pending foreclosure or cure in the ordinary course of business, in each case, solely to support Licensee's Vacation Ownership Business. Licensee agrees that all Licensed Vacation Ownership Properties' transient rental inventory shall be made available through the Licensed System and shall not be placed on any third party platforms or distribution channels.

(b) In the event Licensee acquires a hotel, resort or other transient or extended stay lodging facilities for the purpose of converting such facilities into a Vacation Ownership Property, Licensee may during such conversion process operate such facilities, or a significant portion thereof, as a hotel provided Licensee shall pursue such conversion in a commercially reasonable manner so as to limit Licensee's competition with Licensor in the Lodging Business. The parties agree Licensee's obligation in this regard shall be met if Licensee diligently pursues the conversion and has commenced bona fide sales of Vacation Ownership Property intervals within 24 months of Licensee's obtaining ownership, control or management of such property. If the Licensee fails to commence bona fide sales of Vacation Ownership Property intervals within the 24-month period, Licensee shall retain Licensor (for any Licensed Vacation Ownership Properties) or a third party management company (for any Separate Operations) to manage the hotel component of the project.

Section 5.10 Integration and Rebrand Plans.

(a) With respect to (x) the Diamond Integration of the Diamond Business and the conversion of certain of Diamond Properties to Licensed Vacation Ownership Properties (the "Diamond Properties Conversion," and such converted Diamond Properties, the "Diamond Converted Property"), and
(y) the Bluegreen Integration of the Bluegreen Business and the conversion of certain of Bluegreen Properties to Licensed Vacation Ownership Properties (the "Bluegreen Properties Conversion," and such converted property, the "Bluegreen Converted Property"):

(i) Licensee shall use its commercially reasonable efforts to convert the Diamond Properties into Licensed Vacation Ownership Properties and in accordance with Schedule 5.10(a) attached hereto (the "Diamond Rebrand Plan") and to convert the Bluegreen Properties into License Vacation Ownership Properties and in accordance with Schedule 5.10(b) attached hereto (the "Bluegreen Rebrand Plan," and together with the Diamond Rebrand Plan, the "Rebrand Plans"). Licensee shall provide an update to Licensor as to the status of the Rebrand Plans on or before June 30 of each calendar year until the date on which the Licensee achieves the applicable final Cumulative Rooms Converted targets in accordance with the Rebrand Plans.

(ii) With respect to twenty-two (22) Diamond Properties that are located in Europe and included in the Diamond Rebrand Plan for which no sales activities are occurring at this time ("European Properties"), if Licensee determines that any such European Property is not viable or suitable for a conversion and rebrand in accordance with the Diamond Rebrand Plan, Licensee will inform Licensor and ask that Licensor grant its request to remove such property and related number of rooms from the Diamond Rebrand Schedule in their entirety and revise the Diamond Rebrand Schedule accordingly. In the event that Licensor agrees to such request, the Parties shall use good faith efforts to agree to such removal and adjust the Diamond Rebrand Schedule accordingly. If Licensee sells, transfers, or disposes of, or enters into a binding agreement to sell, transfer or dispose of, substantially all of European Properties ("Diamond Disposition Properties"), the *Cumulative Rooms Converted* targets shall be adjusted and reduced to

reflect all rooms and properties related to such Diamond Disposition Properties.

(iii) For each additional Diamond Property that is rebranded in accordance with the Diamond Rebrand Plan and for each Bluegreen Property that is rebranded in accordance with the Bluegreen Rebrand Plan, which in each case is formally approved by Licensor for marketing and being listed as one of the "Hilton" network of properties on Licensor's corporate- level advertising channel via its consumer facing website in accordance with Section 1.5 of this Agreement, Licensee shall pay Licensor a one-time fee of $10,000 per such property.

(iv) Any Bluegreen Converted Property shall be subject to Licensor's approval and shall use an existing brand name of Licensee that (a) uses Licensed Marks or New Licensed Marks and (b) is approved by Licensor.

(v) Licensee covenants that at no time during the term of the Choice Strategic Agreement shall there be more than fifteen (15) Bluegreen Properties affiliated with, or otherwise operating under a brand or other license granted by, Choice (any such Bluegreen Property, a "Choice Bluegreen Property") without the express consent of Licensor, which consent may be withheld by Licensor in Licensor's sole discretion. As soon as practicable following the termination or expiration of the Choice Strategic Agreement, Licensee shall rebrand each Choice Bluegreen Property as a Licensed Vacation Ownership Property or as a non-branded Separate Operation (at determined in Licensor's sole discretion), and each Choice Bluegreen Property shall cease to be affiliated with or otherwise operate under a brand or other license granted by Choice or any other third party. Without limiting the foregoing, Licensee shall cause Bluegreen to deliver timely effective notice to Choice to terminate early any Choice Ascend Collection Membership Agreement otherwise in effect at the date of the termination or expiration of the Choice Strategic Agreement to ensure that such Choice Ascend Collection Membership Agreement terminates no later than the termination or expiration date of the Choice Strategic Agreement. Licensee covenants that as of the Amendment Effective Date, the only Choice Bluegreen Properties in effect are those Bluegreen Properties set forth on Schedule 5.10(c)(i) (each, an "Existing Choice Bluegreen Property"). Licensee shall have the right until June 30, 2025 to substitute, on a one-for- one basis, each Existing Choice Bluegreen Property marked with an asterisk (*) on Schedule 5.10(c)(i) with any Bluegreen Property set forth on Schedule 5.10(c)(ii) (each, a "Substitute Choice Bluegreen Property" and, together with each Existing Choice Bluegreen Property, an "Authorized Choice Bluegreen Property"), which substitutions are, when made pursuant to the foregoing right of Licensee, deemed approved hereby by Licensor. Licensee further covenants that the Bluegreen Rebrand Plan includes and reflects in full any such substitution of an Existing Choice Bluegreen Property with a Substitute Choice Bluegreen Property. Other than as expressly provided in this Section 5.10(a)(v), Licensee shall not permit Bluegreen to make any change to the list of Authorized Choice Bluegreen Properties, including by causing any Bluegreen Property not listed on Schedule 5.10(c)(i) or 5.10(c)(ii) to become a Choice Bluegreen Property, without the express consent of Licensor, which consent may be withheld by Licensor in Licensor's sole discretion. In no event shall any Choice Bluegreen Property be considered a Licensed Vacation Ownership Property, and each Choice Bluegreen Property shall at all times be operated as a Separate Operation.

(b) Licensee shall convert and rebrand all Diamond Sales Facilities acquired in connection with the Diamond Merger and all Bluegreen Facilities acquired in connection with the Bluegreen Merger to Licensee branded sales facilities in accordance with Licensor's approval (such converted and rebranded Diamond Sales Facilities, the "Diamond Rebranded Sales Facilities," and such converted and rebranded Bluegreen Sales Facilities, the "Bluegreen Rebranded Sales Facilities"). Any such rebranding of a Diamond Sales Facility or Bluegreen Sales Facility shall involve at least the

following:

(i) Diamond or Bluegreen signage shall have been removed and "HGV" signage shall have been installed;

(ii) HGV shall have installed its Envision sales tables, monitors and related equipment for the offering of HGV Max (collectively, the "Envision Platform"); provided, however, that with respect to the Bluegreen Rebranded Sales Facilities, the Envision Platform may be installed over time subsequent to the commencement of the offering of HGV Max so long as such installations are completed by October 1, 2025; and

(iii) Training of any sales personnel, including the use of the Envision sales presentation, shall have been completed for the marketing and offering of HGV Max.

(c) A Diamond Rebranded Sales Facility or Bluegreen Rebranded Sales Facility shall continue to only offer and sell products or services that use either Licensed Marks or New Licensed Marks. In the event a Diamond Rebranded Sales Facility shall have been rebranded prior to an adjoining Diamond Property that has not yet been rebranded, any accommodation packages directing guests to such Diamond Rebranded Sales Facility shall not include accommodations at the unbranded Diamond Property and instead shall be limited to accommodations at one of the Hilton portfolio of brand properties (including, without limitation, any Diamond Converted Property) unless otherwise approved by Licensor. In the event a Bluegreen Rebranded Sales Facility is rebranded prior to an adjoining Bluegreen Property that has not yet been rebranded (or such adjoining Bluegreen Property is a Choice Bluegreen Property), any accommodation package directing guests to such Bluegreen Rebranded Sales Facility that is sold (a) prior to the Amendment Effective Date shall not, commencing on the twelfth (12^{th}) month after the sale of such accommodation package, and (b) on and after the Amendment Effective Date shall not, in each case, include accommodations at the unbranded Bluegreen Property and instead shall be limited to accommodations at one of the Hilton portfolio of brand properties (including, without limitation, any Bluegreen Converted Property), unless otherwise approved by Licensor. Further, any Bluegreen Sales Facility that is adjoined to a Choice Bluegreen Property may not become a Bluegreen Rebranded Sales Facility.

(d) For the avoidance of doubt, Diamond Sales Facilities that have not become Diamond Rebranded Sales Facilities and Bluegreen Sales Facilities that have not become Bluegreen Rebranded Sales Facilities may not offer or sell any products or services that use either Licensed Marks or New Licensed Marks.

(e) With respect to any Diamond Property or Bluegreen Property that is not a Licensed Vacation Ownership Property or to which future sales of HGV Max may provide access through the Licensed Exchange Program (each, a "Legacy Property"), Licensee shall provide disclosures, as approved by Licensor in its sole discretion, both at time of sale and time of reservation advising that such Vacation Ownership Properties have not been branded as Licensed Vacation Ownership Properties, have not been approved by Licensor in accordance with the standards required under this Agreement, and are not part of the "Hilton" network of properties (whether via digital or electronic channels, or, if via phone, by verbal confirmation). Subject to future adjustment as described in Section 5.10(f) below, the Parties agree that a disclaimer language set forth on Schedule 5.10(e) shall be included in any of Licensee's web- and mobile-based sales and reservations that provide access to accommodations at Legacy Properties. Licensor will use commercially reasonable efforts to include substantially similar disclaimer language in all Licensor's sales and reservations channels (including telephone sales and reservations systems and any in-person sales or reservations activities).

(f) Licensor shall have the following rights with respect to HGV Max:

(i) inspection rights with respect to the offer and sale of HGV Max consistent with Section 8.4 and Section 9.5(a); and

(ii) ongoing right to review Licensee's sales, reservations, and marketing activities (including, without limitation, any web- or mobile-based sales and reservations systems; telephone sales and reservations channels; print, email, or internet-based marketing; and in-person sales, reservations, or marketing activities) with respect to the HGV Max Licensed Exchange Program, or any successor program or substantially similar program. Licensee shall cooperate in good faith with Licensor's review and shall respond to any Licensor questions as soon as reasonably practicable. Licensor has the right to request in writing (including via email) that Licensee make such changes to Licensee's sales, reservations, and marketing activities with respect to the HGV Max Licensed Exchange Program, or any successor program or substantially similar program, that Licensor believes, in the exercise of its sole discretion, will prevent harm to Licensor, the Licensed IP, the Hilton Data, or the goodwill associated therewith. Any such written request by Licensor will be accompanied by an explanation of the need for the required changes. Licensee will take all necessary steps to enact such changes as soon as possible.

Section 5.11 Special Provisions Arising from the Diamond Merger and the Bluegreen Merger. With respect to the acquisition of the Diamond Business, the Diamond Properties, the Bluegreen Merger, and the Bluegreen Properties, Licensee shall integrate, or continue to integrate, such businesses and properties into its business and convert certain Diamond Properties and Bluegreen Properties into Licensed Vacation Ownership Properties in accordance with Section 5.10 of this Agreement. Accordingly, the Parties agree to the following:

(a) Licensee will continue to use the Licensed Marks, including the name "Hilton Grand Vacations," as its primary brand (including, without limitation, in all advertising, marketing, and consumer facing channels and means (including within Licensed System and its corporate marketing channels) for its existing and any new "brands";

(b) At Licensee's request, the Parties will cooperate with respect to the creation and launching of any new "brand(s)" related to Licensee's Vacation Ownership Business that uses the Licensed Marks (including New Licensed Marks) using such new name or construction to be determined by the Parties, with Licensor agreeing to maintain and renew all such New Licensed Marks in accordance with Article XIII of this Agreement, and Licensor agrees to the use by Licensee of such names to be mutually agreed to. Any such new brand name, marketing name and/or naming conventions shall be reflected in an amendment to this Agreement and/or a separate letter agreement between the Parties;

(c) Any Major Brand names developed by Licensee will become New Licensed Marks and Licensor and its Affiliates will be the sole owner of all such New Licensed Marks in accordance with Article XIII of this Agreement even if such new name does not include the then-existing Hilton Marks. Further, Licensor shall continue to have the sole right to approve any such new names to be used by Licensee in connection with the Diamond Converted Brand Offering, the Bluegreen Converted Brand Offering or otherwise. In furtherance thereof, the Parties acknowledge and agree that Licensor has approved "Hilton Vacation Club" for use by Licensee in connection with Diamond Properties that are converted to Licensed Vacation Ownership Properties; and

(d) Licensor continues to reserve for its exclusive use the "Hilton," except as set forth herein, and "Hilton Honors" names. Notwithstanding the foregoing, with respect to new brand names created by Licensee that are used exclusively in connection with Separate Operations and do not include or

incorporate the Hilton Marks, Licensor will not be the owner of such brand names and will not have the right to approve such new brand names.

ARTICLE VI
SOURCING

Section 6.1 Sourcing. Licensee will source the furniture, fixtures and equipment for the Licensed Vacation Ownership Properties in compliance with all applicable Laws and the Standards and Agreements.

ARTICLE VII
LICENSOR BRAND IDENTITY GUIDELINES; STANDARDS; LOYALTY PROGRAM

Section 7.1 Licensor Brand Identity Guidelines. Licensee shall use the Licensed Marks solely: (a) in good faith, in a dignified manner and in accordance with the Licensor Brand Identity Guidelines and good trademark practice in the Territory; (b) in a manner that does not harm or jeopardize the value of the Licensed Marks or their associated goodwill; and (c) in connection with activities, products, and services that maintain at all times the high levels of quality associated with Licensee's use of the Licensed Marks prior to the Effective Date. Licensee shall not take any action (or fail to take any action) that materially harms or jeopardizes (or could reasonably be expected to materially harm or jeopardize) the value, validity, reputation or goodwill of the Licensed IP.

Section 7.2 Modified Standards.

(a) Licensor may modify or implement any existing or new Standards during the Term, effective upon notice to Licensee, provided that (i) Licensor may not require Licensee to comply with any Standards that, as a whole, place a disproportionate or discriminatory burden upon Licensee relative to practices for similarly situated Licensor Lodging Properties, but Licensee acknowledges that certain Standards may not apply to all of Licensor's branded hotels and (ii) Licensee shall have a commercially reasonable time to transition to comply with the above new Standards (unless new or modified Standards reflect changes in applicable Laws, in which case, Licensee must adopt such changes sufficiently promptly to comply with such Laws).

(b) On an annual basis during the Term, Licensee may submit proposed changes to the Brand Standards for Licensor's prior written approval. Licensor shall not unreasonably withhold its approval to any such changes.

Section 7.3 Loyalty Program Participation.

(a) Licensee shall participate in the Loyalty Program pursuant to the terms in this Article VII, the Loyalty Program terms, and all additional terms contained in any other agreement executed between the Parties at any time during the Term with respect to the Loyalty Program.

(b) Licensor may modify the Loyalty Program in its sole discretion, provided that:

(i) Licensee shall receive commercially reasonable advance notice of any material changes;

(ii) Owners at Licensed Vacation Ownership Properties maintain the Loyalty Program status tier level or equivalent that was purchased prior to such notice;

(iii) Licensee may opt out of select programs if they are optional for similarly situated Licensor Lodging Properties; and

(iv) Licensor will not modify the Loyalty Program in any manner that places a disproportionate or discriminatory burden upon (x) Licensee relative to similarly situated participants or (y) owners at Licensed Vacation Ownership Properties related to other Loyalty Program members.

(c) All Loyalty Program members shall have the right to redeem Loyalty Program Points for nightly stays at Licensed Vacation Ownership Properties. Licensee shall provide Loyalty Program members benefits for stays at Licensed Vacation Ownership Properties, consistent with the tiers and rules of the Loyalty Program. Licensee shall have sole responsibility for all matters, activities and disputes involving Loyalty Program members with respect to their stays in Licensed Vacation Ownership Properties.

(d) So long as the Loyalty Program maintains an air travel mileage partner, Licensor will use commercially reasonable efforts to allow Licensee to purchase air travel miles at the same cost as Licensor.

Section 7.4 Exclusivity/Licensee Status. Licensee may not participate in a loyalty program (or purchase and use loyalty program points) of a Hilton Competitor unless such loyalty program relates solely to Vacation Ownership Properties maintained as Separate Operations. Licensor will not authorize Loyalty Program Points to be used solely for the creation of a Vacation Ownership Business that conflicts with Licensee's rights under this Agreement. Licensor will maintain Licensee's tier status (or grant comparable tier status to Licensee) in the Loyalty Program, if Licensor changes the tier structure of the Loyalty Program during the Term. Licensee may purchase tier status from Licensor for the Loyalty Program in accordance with Section 7.8 or as may otherwise be agreed to by the Parties.

Section 7.5 Sale of Loyalty Program Points. Licensor shall cause Hilton Honors Worldwide LLC ("Honors LLC") to sell Loyalty Program Points to Licensee at cost for a period of 20 years after the Effective Date. Licensor shall cause Honors LLC to inform Licensee of the cost per Loyalty Program Point no later than September 15 of the applicable preceding calendar year during such 20-year period.
Thereafter, (i) Licensor shall cause Honors LLC to sell Loyalty Program Points to Licensee at the market rate (which shall not be (x) less than cost or (y) more than the amount paid by any other Person participating in the Loyalty Program who buys the similar quantity of points on the same terms and is otherwise similarly situated to Licensee), provided that such market rate is no higher than the price per Loyalty Program Point paid by any strategic partner that purchases a comparable volume of Loyalty Program Points annually on comparable business terms from Honors LLC. During the Term and in accordance with the restrictions in this Article VII, Honors LLC shall be entitled to increase the price per Loyalty Program Point on an annual basis; provided, that Licensor provide advance notice of any such increase no later than September 15 of the year immediately preceding the year during which such cost increase is scheduled to take effect. While the determination and calculation of the applicable cost per Loyalty Program Point and any increases in such cost remain in Licensor's sole discretion, Licensor agrees to discuss any increases in the cost per Loyalty Program Point with Licensee and reasonably demonstrate to Licensee the basis and reasons for such increase (which Licensor may satisfy by providing any reasonable information).

Section 7.6 Use of Loyalty Program Points. Licensee may use the Loyalty Program Points it purchases:

(a) to fulfill benefits related to the Licensed Vacation Ownership Business;

(b) as awards or incentives associated with the marketing or sale of the Licensed Vacation Ownership Properties;

(c) in connection with customer complaints or customer service responses; or

(d) for any other reason approved by Licensor in advance in writing.

Licensee may not resell or transfer Loyalty Program Points to any other Person or allow any Person (other than members of the Loyalty Program for end-use purposes) to do same.

Section 7.7 Conversion to Loyalty Program Points. Licensee can convert points associated with Licensee's own point-based reservations and exchange system into Loyalty Program Points through a Licensed Exchange Program at a conversion rate to be determined by Licensee. Licensee's members' elections to convert such points to Loyalty Program Points will be irrevocable and irreversible. All costs and expenses associated with such point conversion shall be the sole responsibility of Licensee.

Section 7.8 Hilton Honors Elite Status. While the Loyalty Program status tier level or equivalent for owners at Licensed Vacation Ownership Properties remains at the sole discretion of Licensor, Licensor agrees that Licensee may continue to designate purchasers or owners of Licensed Vacation Ownership Properties as Silver, Gold, or Diamond Honors members, consistent with HGV's past practices and numbers of status awards. With respect to Licensee increasing the scope of Hilton Honors statuses awarded by Licensee, including in connection with Diamond Converted Brand Properties, the Bluegreen Converted Brand Properties, or purchasers of a New Brand Offering, the Parties will negotiate in good faith an agreement setting forth the terms and conditions of such arrangements.

Section 7.9 Additional Discount Program. Licensor agrees to establish a discount program and use its commercially reasonable efforts to obtain participation from the owners of Licensor Lodging Properties under which owners of Licensed Vacation Ownership Properties (including Diamond Converted Brand Properties and Bluegreen Converted Brand Properties) will be entitled to a rate discount for stays at participating hotels within Licensor Lodging Properties and the Licensed System. Licensor will use reasonable efforts to obtain a discount in excess of the discount rate offered to then-current Loyalty Program members as part of such program. The Parties acknowledge that any and all such discounts will be subject to the availability and the discretion of the owners of such hotels, and will not be deemed a standing rate discount program. For the avoidance of doubt, Licensor may terminate any such discount program at any time in its sole discretion, provided that Licensor provide Licensee with reasonable notice of any such termination of a discount program and cooperate with Licensee to seek or pursue other potential similar discount programs in lieu thereof.

ARTICLE VIII
OPERATIONS

Section 8.1 Licensee Operations, Brand Standards. At all times during the Term, Licensee will, at its sole expense, (i) operate the Licensed Vacation Ownership Business in strict compliance with all Standards and Agreements and all applicable Laws; (ii) obtain and maintain all approvals, permits, licenses and consents required for the operation of the Licensed Vacation Ownership Properties; and (iii) pay all Taxes relating thereto. Licensee acknowledges that, although Licensor provides the Standards and Agreements, Licensee has exclusive day-to-day control of the business and operation of the Licensed Vacation Ownership Business. Without limiting any obligations in this Agreement or the Standards and Agreements, Licensee shall, at its sole cost and expense, comply with its obligations set forth on Exhibit B of the Original Agreement.

Section 8.2 Employees. Licensee will employ sufficient and suitably qualified individuals with respect to the Licensed Vacation Ownership Business. Licensee will ensure that Licensee's employees at all times comply with the Standards and Agreements.

Section 8.3 Management and Operation of the Projects.

(a) Licensee may subcontract or delegate its property-level, non-management functions with respect to Operating one or more Licensed Vacation Ownership Properties, such as housekeeping, security and maintenance to vendors without Licensor's prior written consent, provided that such functions are delegated or subcontracted in accordance with the Brand Standards. Licensee may subcontract or delegate both property-level and management functions to (i) a Subsidiary without notice to or consent of Licensor or (ii) any other Person, with Licensor's prior written consent not to be unreasonably withheld. Licensor hereby consents to the subcontracting and delegation agreements set forth on Exhibit L of the Original Agreement.

(b) Licensee shall require all sublicensees (and all Persons referenced in Section 8.3(a)) to agree in writing to abide by all terms herein relating to the Standards and Agreements and protection of the Licensed IP, and Licensee is liable to Licensor hereunder for any act or omission by a sublicensee or a Person referenced in Section 8.3(a) that would breach this Agreement if committed by Licensee. A Party may not license or authorize any Person (including Subsidiaries) to take any action that such Party is prohibited from doing under this Agreement, and each Party is liable hereunder for any action by a Subsidiary that would breach this Agreement if committed by such Party.

Section 8.4 Quality Assurance.

(a) Subject to any pre-existing third-party agreements prohibiting same, Licensor and its representatives have the right (but not the obligation) to enter the Licensed Vacation Ownership Properties at any time without notice or additional permission from Licensee to verify that Licensee is complying with this Agreement and the Standards and Agreements. Licensee shall provide commercially reasonable assistance to facilitate such inspections and promptly (or immediately, for material deficiencies or issues involving health or safety) take all actions necessary to correct any deficiencies found during any inspection. If Licensor is required to conduct more than one (1) inspection in any twelve (12) month period because of Licensee's failure to comply with the Standards and Agreements or this Agreement, Licensee shall reimburse Licensor for the commercially reasonable out-of-pocket costs of such additional inspections. The results of such inspection are Licensor's Confidential Information, and Licensor may use and disclose them for authorized business purposes.

(b) Licensor's representatives who travel to the Licensed Vacation Ownership Properties to perform design review, training, inspections, assistance or other services shall be permitted, subject to availability, to stay at the relevant Licensed Vacation Ownership Property and use its facilities (including commercially reasonable food and beverage consumption) without charge.

Section 8.5 Licensed HOAs Not Controlled By Licensee. If any Licensed HOA not Controlled by Licensee operates or maintains a Licensed Vacation Ownership Property in a manner that would constitute a Deflagging Event or an action set forth in Section 18.3 of this Agreement if committed by Licensee, Licensee shall promptly notify the Licensed HOA of such failure and request the same be cured within thirty (30) days. If such failure is not susceptible to being cured during such 30 day period, Licensee may extend such cure period for such additional periods as is reasonable under the circumstances if cure is being diligently pursued, and in no event will such period be more than one year from the date of the initial notice without Licensor's prior written consent. If the Licensed HOA cannot effect cure within such time (or an extension thereof, which requires Licensor's prior written consent, not to be unreasonably withheld),

then Licensee shall immediately Deflag such Licensed Vacation Ownership Property, and the provisions of Section 18.1 shall apply.

Section 8.6 Employee Discounts. Licensor's employees may stay at the Licensed Vacation Ownership Properties (and Licensee's employees may stay at the Licensor Lodging Properties) for other business or non-business purposes at reduced rates (such rates also covering food and beverage costs), subject to the terms and conditions contained in the Employee Matters Agreement, dated as of the Original Agreement, among the Parties, PHRI and Hilton Domestic Operating Company Inc. (the "Employee Matters Agreement"). Licensee's employees will continue to enjoy discounts consistent with Licensor's then-current discount offers to its own employees for in-room amenities, and generally participate in any other then-current employee discounted travel programs offered by Licensor to its own employees, in accordance with the Standards and Agreements and the Employee Matters Agreement and subject to annual review by Licensor of such participation and payment by Licensee of any annual participation fees to be assessed by Licensor in its sole discretion. An employee of a New Brand Property will have or will become eligible for the employee discounts described in this Section 8.6 at the time such New Brand Property was or is converted into a New Brand Licensed Vacation Ownership Property in accordance with Section 5.10 through Section 5.14 If Licensor so requests in writing, Licensor's employees may enjoy discounts consistent with Licensee's then-current discount offers to Licensee's own employees to purchase units in Licensed Vacation Ownership Properties. This Section 8.6 shall not apply to any employee of Licensee working at or on behalf of an unbranded Sales Facility or unbranded Member Service Center.

Section 8.7 Managers. Each Party shall give the other Party notice of one representative to act as such Party's primary contact(s) with respect to the various performance areas and obligations in this Agreement. Each Party may change one or more of its primary contacts in accordance with the procedures set forth in Article XXIII. The Parties' contacts shall fully cooperate to perform this Agreement and meet regularly or as needed.

Section 8.8 Additional Fire and Life Safety. With respect to the conversion of the Diamond Properties and the Bluegreen Properties to Licensed Vacation Ownership Properties in accordance with Section 5.10, and in addition to any Licensor requirements, the Parties agree to follow the fire and life safety review, waiver, and certification process described on Schedule 8.8 attached hereto for all such New Brand Properties (whether such properties are scheduled to be rebranded or not). Licensee hereby represents, warrants and covenants that: (a) all New Brand Properties shall at the time of conversion and at all times thereafter be in full compliance with Licensor's applicable fire and life safety standards (as the same may be modified from time to time, the "FLS Standards"), subject to any duly issued waivers as granted by Licensor pursuant to the process described on Schedule 8.8; and (b) each New Brand Property that has not yet been rebranded must at all times be in full compliance with all applicable fire and life safety codes and regulations required in such New Brand Property's legal jurisdiction.

ARTICLE IX
LICENSEE OBLIGATIONS

Section 9.1 Lodging Business. During the Term and except as permitted in Section 5.9 and this Section 9.1, Licensee will not engage in the Lodging Business under any Trademark anywhere in the world.

Section 9.2 Hilton Competitors. Without Licensor's prior written consent, Licensee may not:

(a) merge with or acquire direct or indirect Control of a (x) Hilton Competitor or (y) Vacation Ownership Business (in either an equity or asset acquisition) which has entered into an agreement for Operating activities with a Hilton Competitor;

(b) acquire direct or indirect Control of a Vacation Ownership Business together with a Lodging Business (in either an equity or asset acquisition); or

(c) be directly or indirectly acquired by, merged into or combined with any Person other than an Affiliate (in either an equity or asset transaction).

Any purported transaction in violation of this Section 9.2 shall be deemed null and void at the outset and of no force or effect.

Section 9.3 Acquisitions.

(a) Without Licensor's prior written consent, Licensee may acquire direct or indirect Control of a business that is not a Vacation Ownership Business or Lodging Business (in either an equity or asset acquisition), and Licensee may (i) operate such new business as Separate Operations or (ii) use the Licensed IP in connection with such new business, subject to Licensor's prior written consent.

(b) Without Licensor's prior written consent, Licensee may acquire direct or indirect Control of Vacation Ownership Properties (in either an equity or asset acquisition) that have never been branded with any Hilton Marks, and Licensee may operate such Vacation Ownership Properties as (i) Separate Operations or (ii) new Licensed Vacation Ownership Properties, subject to all terms and conditions herein regarding same.

Section 9.4 New Products and Services. Licensee may develop or acquire products or services that are not in the Vacation Ownership Business but are substantially similar to products and services being offered at the time by other Persons who operate a business described in clause (i) of the definition of "Vacation Ownership Business" of quality similar to Licensee: (a) as Separate Operations or (b) subject to Licensor's prior written consent, as part of the Licensed Vacation Ownership Business.

Section 9.5 Advertising.

(a) Licensee shall, at its cost and expense, advertise and promote the Licensed Vacation Ownership Business, in all venues and media, in a first-class, dignified manner, in compliance with all Standards and Agreements and this Agreement. Licensee shall ensure that all advertising and promotional materials used in connection with the Licensed Vacation Ownership Business, in any form or media ("Marketing Content") comply with all applicable Laws and the Standards and Agreements. Notwithstanding the foregoing, Licensee may continue to use all Marketing Content that Licensee has used prior to the Effective Date, to the extent such Marketing Content is consistent with the Standards and Agreements, and will not violate any Standards and Agreements by such use. Licensor has the right to review (on a periodic basis), and Licensee shall respond to Licensor's commercially reasonable requests to submit to Licensor any new Marketing Content that differs materially from that used by Licensee as of the Effective Date. Licensee shall promptly revise or cease using any Marketing Content after it becomes aware (whether from notice from Licensor or otherwise) that it does not comply with this Agreement, the Standards and Agreements (subject to this Section 9.5(a)) or applicable Laws.

(b) The Parties will cooperate to facilitate advertising the Licensed Vacation Ownership Properties in Licensor's distribution channels, and develop and exploit new Marketing Content and channels to support the Licensed Vacation Ownership Business, provided that, in each case, Licensor has sole discretion as to any specific advertising activities.

(c) The Parties will coordinate all marketing activities provided under this Agreement, including online demand generation, Internet keyword purchasing and email marketing (and

future successors and equivalents of the foregoing), so as to prevent current and prospective customers from declining to receive marketing for Licensor and/or the Loyalty Program.

Section 9.6 Sponsorships/Partnerships.

(a) The Parties shall meet quarterly during the Term to discuss future Marketing Content and any sponsorship, marketing, endorsement or similar agreements ("Marketing Agreements") for the Licensed Vacation Ownership Business between the Parties and their advertisers.

(b) If Licensor wishes to enter into any Marketing Agreement on an exclusive basis, and such exclusivity would restrict the Licensed Vacation Ownership Business, Licensor shall notify Licensee (i) at the quarterly meeting or (ii) for time-sensitive matters, at least 30 days prior to executing same. In each case, Licensor shall consult with Licensee and in good faith consider Licensee's comments with respect to such agreement; however, for the avoidance of doubt, nothing in this Section 9.6(b) shall give Licensee the right to block or delay any such exclusive marketing agreement. Licensor shall have the sole right to approve and execute any such exclusive Marketing Agreements that involve the Licensed Marks. However, should Licensor request Licensee participate in a marketing or similar agreement with respect to co-branded credit cards, and such arrangement includes a bounty fee or similar payment by the issuer for acquisitions at Licensee's Vacation Ownership Properties, Licensee shall not be required to participate in such marketing activities unless Licensee receives a share of such payment.

(c) Licensee shall ensure that all marketing activities, Marketing Content and Marketing Agreements entered into in connection with the Licensed Vacation Ownership Business comply with all applicable Laws and the Standards and Agreements and, absent the prior written consent of Licensor, do not involve a Hilton Competitor. Licensee shall not use any of the Licensed Marks or participate in a Marketing Agreement that may subject Licensor to public ridicule, criticism or controversy or that may substantially tarnish Licensor's goodwill.

(d) Licensee may continue to perform under all Marketing Agreements that Licensee has entered into in writing and made available to Licensor for review prior to the Effective Date. Licensor acknowledges that Licensee has prior to the Effective Date entered into certain Marketing Agreements or other arrangements designed to support the Licensed Exchange Program with Hilton Competitors, a list of which is attached as Exhibit M to this Agreement. Should Licensee desire to enter into a new Marketing Agreement or other arrangement with a Hilton Competitor, or materially expand the scope of such an existing arrangement, Licensee must first obtain Licensor's prior written consent.

(e) Licensee may enter into new local Marketing Agreements and enterprise-wide Marketing Agreements at any time, subject to Licensor's prior written approval for all enterprise-wide Marketing Agreements and any new local Marketing Agreement that differs materially from that used by Licensee as of the Effective Date. Licensee shall notify Licensor of all proposed new Marketing Agreements (i) at the quarterly meeting or (ii) for time-sensitive matters, at least 30 days prior to the signing date. Licensor shall not unreasonably withhold its approval for any Marketing Agreement that does not involve a Hilton Competitor. In each case, Licensee shall consult with Licensor and in good faith consider Licensor's comments with respect to such agreement. Should Licensor determine, in its reasonable discretion, that a Marketing Agreement does not comply with this Agreement, the Standards and Agreements (subject to this Section 9.6(e)) or applicable Laws, then Licensor shall notify Licensee of same and Licensee shall terminate such Marketing Agreement. Licensee shall respond to Licensor's reasonable requests to submit to Licensor any Marketing Content.

Section 9.7 Reservations. Licensee shall, at all times during the Term, participate in and use the Licensed System and honor all confirmed reservations referred to the Licensed Vacation Ownership

Properties through the Licensed System.

Section 9.8 Diversion. Except as may be necessary in connection with the Diamond Integration, the Bluegreen Integration, and/or as set forth in Section 13.4, Licensee shall not divert any business from the Licensed Vacation Ownership Properties to any other facilities or products (except other Vacation Ownership Properties through an exchange program or facilities or products affiliated with Licensor, in each case, as approved by Licensor in its sole discretion).

Section 9.9 Finances. Licensee shall have sole responsibility for all debts, liabilities, permits, Taxes and other financial obligations incurred in the operation of the Licensed Vacation Ownership Business, and make all such payments when due.

Section 9.10 Separate Operations for Diamond Business and Bluegreen Business.

(a) Licensee will continue to operate the Diamond Business and the Bluegreen Business as one or more Separate Operations; provided, however, that: (i) to the extent required by any contract in effect as of (1) the Diamond Closing Date, in the case of the Diamond Properties set forth on Schedule 9.10(a), or (2) the Bluegreen Closing Date, in the case of the Bluegreen Properties set forth on Schedule 9.10(a), access to such Diamond Properties and Bluegreen Properties set forth on Schedule 9.10(a), as the case may be, may be made available via an individual Exchange Program that applies to such Diamond Property or Bluegreen Property and provides access to Licensed Vacation Ownership Properties (including through Exchange Programs owned or operated by Licensee or its Affiliates); and (ii) Licensee shall not be prohibited from holding the Diamond Business or the Bluegreen Business in a Subsidiary that uses the Licensed Marks as a corporate, trade, or d/b/a name. From and after the time at which a specific Diamond Property or Bluegreen Property is approved for conversion to a Licensed Vacation Ownership Property pursuant to Section 5.10, Licensee will operate such property as a Licensed Vacation Ownership Property. Licensee shall provide an initial draft of Schedule 9.10(a) to Licensor for approval no later than thirty (30) days after the Amendment Effective Date which, following approval by Licensor, shall be deemed to be attached to this Agreement as Schedule 9.10(a).

(b) Without limiting the foregoing clause (a), Licensee may:

(i) offer, sell, and operate HGV Max as a membership offering that will provide access across all or a portion of the Licensed Exchange Program, all or a portion of the Diamond Converted Brand Licensed Vacation Ownership Properties or the Bluegreen Converted Brand Licensed Vacation Ownership Properties, and all or a portion of Diamond Properties or Bluegreen Properties that are not converted to a Licensed Vacation Ownership Property, along with access to certain other agreed benefits;;

(ii) operate and market HGV Max using the Loyalty Program, Licensed IP, and Hilton Data;

(iii) advertise, market, and present HGV Max to the public as being associated with the Licensed Vacation Ownership Business; and

(iv) engage in all other activities that are consistent with or permitted by this Agreement with respect to its marketing and sale of HGV Max in connection with the Diamond Properties and Bluegreen Properties that become Licensed Vacation Ownership Properties, and Diamond Sales Facilities and Bluegreen Sales that become Rebranded Diamond Sales Facilities and Bluegreen Sales Facilities.

(c) Licensee may not rebrand or rename the legacy Diamond club or legacy Bluegreen club using any Licensed Marks without Licensor's prior written consent.

Section 9.11 Intentionally Omitted.

Section 9.12 Certain Terms Related to the Choice Agreements.

(a) The Parties agree and acknowledge that this Agreement incorporates the First Amendment, the Second Amendment and the Third Amendment, and reflects in full the Parties' understanding and agreement in connection therewith, together with any changes and updates thereto as may have been agreed to by the Parties. Without limiting the foregoing, and for the avoidance of doubt, Licensor agrees and acknowledges that Section 1 of the Third Amendment has been fully satisfied by the Choice Amendment and, accordingly, Sections 4(b) and 5 of the Third Amendment shall have no further effect and are specifically not incorporated into this Agreement.

(b) Licensee hereby affirms, confirms and acknowledges that Licensee is obligated hereunder (including pursuant to Section 9.6) to obtain the express prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion, before entering into any Marketing Agreement or other arrangement or agreement, or expanding the scope of any existing arrangement or agreement (including by renewing or extending the term of any such arrangement or agreement), with any Hilton Competitor. Without limiting the foregoing, Licensee affirms, confirms and acknowledges that such express prior written consent of Licensor is required and must be obtained by Licensee prior to extending, renewing or expanding the scope of any Choice Agreement. In addition, Licensee hereby affirms, confirms and acknowledges that, unless Licensor has provided its express prior written consent, which consent may be withheld in Licensor's sole discretion, Licensee shall cause the Choice Strategic Agreement to terminate at the date that is the earlier of (i) the expiration date of the current stated term of the Choice Strategic Agreement or (ii) the first opportunity that Licensee has a definitive termination right under the Choice Strategic Agreement to terminate the Choice Strategic Agreement, in which event Licensee shall provide notice of termination to Choice in accordance with the terms thereof. Licensee shall further cause each other Choice Agreement to terminate substantially simultaneously with any such termination of the Choice Strategic Agreement.

(c) Licensee hereby represents and warrants to Licensor that, by entering into and performing its obligations under this Agreement, neither Licensee nor Bluegreen will breach or violate the terms of any Choice Agreement. Licensee shall comply, and shall cause Bluegreen to comply, with each Choice Agreement. Licensee shall provide prompt written notice to Licensor of any material breach by any party to a Choice Agreement, including a description thereof.

ARTICLE X
SYSTEMS

Section 10.1 Systems. Licensee shall maintain all Licensee Systems in connection with all Standards and Agreements.

ARTICLE XI
LICENSOR SERVICES

Section 11.1 Call Center Transfer Services. The Parties have executed the Marketing Services Agreement, effective as of the Effective Date, as amended by that certain Amendment No.1 thereto, dated as of May 1, 2018 (the "Marketing Services Agreement"), which has governed the transfer of Calls from Licensor to Licensee and related terms. The Marketing Services Agreement is being amended contemporaneously with this Agreement and shall continue to govern the transfer of Calls from Licensor to Licensee and related terms in accordance with the terms therein.

Section 11.2 Other Services. Licensor shall otherwise provide services to Licensee as set forth in all other Party Agreements.

ARTICLE XII
REPAIRS AND MAINTENANCE

Section 12.1 Repairs. Licensee shall ensure that all Licensed Vacation Ownership Properties are in good repairs and first-class condition and conform with applicable Laws and the Standards and Agreements.

ARTICLE XIII
INTELLECTUAL PROPERTY

Section 13.1 Ownership New Licensed Marks.

(a) Licensor, together with its Affiliates, is the sole owner of all Licensed IP, and Licensee will not file to register, register, patent, maintain or renew any of same. Licensee will not directly or indirectly attack, contest or otherwise challenge the validity, enforceability or ownership of any Licensed IP or Hilton Data. Notwithstanding the foregoing, if Licensee is deemed to be the owner of any Licensed IP (or own any rights in any Hilton Data), Licensee hereby assigns and agrees to assign to Licensor all of such rights in same. Unless Licensee has notified Licensor that it no longer requires the use of any Licensed Marks, Licensor shall continue to maintain and renew all Licensed Marks (and file and use Reasonable Best Efforts to prosecute until registration all new "Licensed Marks" approved hereunder), so long as Licensee reimburses Licensor for all commercially reasonable out-of-pocket costs incurred.

(b) Without limiting Section 13.1(a), Licensor agrees that Licensee may (i) serve as the administrative and technical contact for all domain names and social or mobile media registrations included in the Licensed Marks, provided that Licensor shall be the registrant of any such domain names (and social or mobile media registrations, if and to the extent the trademark owner is intended to be the registrant) and (ii) file to register corporate, trade, d/b/a and similar names containing the Licensed Marks, so long as any such registration does not modify or compromise Licensor's ownership rights in the Licensed Marks.

(c) If Licensee wishes to use a Licensed Mark in a country or jurisdiction for which it is not registered as of the Effective Date, it may notify Licensor of same. The Parties will cooperate to perform all necessary due diligence with respect to Licensee's proposed use. Licensor shall not withhold its consent to any proposed new Trademark if the new Trademark, in Licensor's good-faith judgment, would not reasonably be expected to harm or jeopardize the value, validity, reputation or goodwill of the Licensed Marks or subject Licensor to any risk of legal liability or an adverse Action anywhere in the world. Any new Trademark approved by Licensor hereunder shall be owned by Licensor and deemed to be a "Licensed Mark" hereunder.

Section 13.2 Licensee's Use of Licensed IP.

(a) Licensee shall use all Licensed IP solely in compliance with applicable Laws and all Standards and Agreements. Licensee will use all notices and legends for the Licensed IP that are required by applicable Laws or reasonably requested by Licensor.

(b) Licensee acknowledges that Licensor may change the stylization, font or appearance of the Licensed Marks during the Term. Licensee must use the latest version of the Licensed Marks that Licensor has adopted for its own use, subject to a commercially reasonable transition period during which Licensee may engage in traditional "phase out" use of the prior version of the Licensed Marks.

(c) Licensee may use the Trademarks of third parties in connection with permitted marketing activities in the ordinary course of business in the Licensed Vacation Ownership Business, provided that, without Licensor's prior written consent (whether provided in connection with the Parties' marketing activities in Section 9.5 or Section 9.6 or otherwise), Licensee shall not use (i) the Licensed Marks with any other Trademark in such a manner so as to suggest (a) a co-branded, combined or composite Trademark or (b) that Licensor is affiliated with, endorses or sponsors the owner of such Trademark; or (ii) the Trademarks of any Hilton Competitor in the Licensed Vacation Ownership Business.

Section 13.3 Enforcement. If Licensee learns of any actual or threatened unauthorized use of the Licensed IP by any Person, Licensee shall promptly notify Licensor. Licensor, in its sole discretion, shall decide whether to commence an Action against such use. If Licensor elects not to bring an Action and such unauthorized use is materially impairing Licensee's rights under this Agreement, Licensor shall not unreasonably refuse a request by Licensee to bring an Action in its own name. If Licensor refuses such a request, Licensee may not bring such an Action. If Licensor grants such a request, Licensor may participate in such Action with counsel of its own choice at its own expense. The Parties may also elect in their discretion to bring a joint Action. The Parties shall fully cooperate in any such Action brought in this Section 13.3. Absent a joint Action or later agreement to the contrary, the Party that brings any Action herein shall control its prosecution, pay all costs and expenses associated therewith and have the sole right to any and all damages, settlements and proceeds therefrom; provided that a Party shall not enter into any settlement or other agreement that would impose any liability or obligations or have any adverse effect upon on the other Party without its prior written consent, which consent shall not be unreasonably withheld. Licensee hereby agrees that this Section 13.3 limits its rights under applicable Laws to commence an Action against any Person's unauthorized use of the Licensed IP, and hereby waives such rights, to the extent they conflict with this Section 13.3.

Section 13.4 Credit Cards.

(a) General. Except as specifically permitted in this Section 13.4, Licensee may not enter into any agreement with a financial institution or any other Person to create a co-branded credit card or any co-branded alternative payment technology (e.g., Google Wallet) without Licensor's prior written consent . Except as specifically provided in this Section 13.4 with respect to the Bluegreen Integration, should Licensee establish any other Separate Operations, Licensee may co-brand a credit card or other payment alternative provided such co-branding does not include any Hilton Marks and is only utilized in connection with the Separate Operations.

(b) Loyalty Program Credit Card. Licensee shall use the then-current Loyalty Program credit card designated by Licensor (the "Loyalty Program Credit Card") as the exclusive credit card issued for down payments, renewals or other fees in connection with Licensed Vacation Ownership Properties sold to residents of United States, and shall use commercially reasonable efforts to offer such Loyalty Program credit card as the exclusive credit card issued for down payments, renewals or other fees in connection with Licensed Vacation Ownership Properties sold to residents of Japan, and shall honor all nationally recognized credit cards and credit vouchers and enter into all necessary agreements with issuers therefor.

(c) Bluegreen Integration.

(i) Bluegreen Credit Card. Licensor acknowledges that the Bluegreen Business currently offers a loyalty credit card through a financial institution (the "Bluegreen Credit Card") and that Licensee has provided notice of its intention not to renew the Bluegreen Credit Card pending the implementation of (i) the Loyalty Program Credit Card for the Bluegreen Converted Brand Licensed Vacation Ownership Business as set forth in Subsection (c)(ii) below and (ii) an unbranded credit card for Separate Operations as set forth in Subsection (c)(iii) below. Licensee may continue to offer the Bluegreen Credit Card in connection with the Bluegreen Business until such time that the Loyalty Program Credit Card and the Unbranded Amex Card are each implemented in accordance with this Section 13.4(c).

(ii) Bluegreen Converted Brand Licensed Vacation Ownership Business. Licensee shall implement the Loyalty Program Credit Card for the Bluegreen Converted Brand Licensed Vacation Ownership Business as soon as reasonably possible, but in any event within thirty (30) days, following the date that the applicable Credit Card Training is made available to Licensee. Licensee shall fulfill any training requirements imposed by the applicable financial institution prior to offering the then current Loyalty Program Credit Card designated by Licensor and all other requirements of the applicable financial institution have been completed (the "Credit Card Training"). Licensee shall use commercially reasonable efforts to market and promote such credit card in connection with the Bluegreen Business. Licensor will transfer to Licensee the entire amount of any incentive payments received by Licensor from the current issuer in connection with the issuance of any such new co-branded credit cards in connection with Licensee's sales of interests in Vacation Ownership Properties.

(iii) Bluegreen Sales Facility. Licensee shall implement an American Express credit card determined by Licensor (the "Unbranded Amex Card") at any Bluegreen Sales Facility that is not a Bluegreen Rebranded Sales Facility. For the avoidance of doubt, Licensee may not make the Loyalty Program Credit Card available at any such Bluegreen Sales Facility. Licensor will reasonably confer with Licensee on the attributes of the Unbranded Amex Card. In addition, Licensor shall use its commercially reasonable efforts to cause the Unbranded Amex Card to feature as attributes, in Licensor's sole discretion and taking into account any possible future changes in the Vacation Ownership Business, market or industry, the following: (a) its primary purpose is for the facilitation of the closing of timeshare sales; and (b) it provides economic value to cardholders substantially consistent with market expectations. The Unbranded Amex Card will not be co-branded with any other brand. Licensee will complete any Credit Card Training applicable to the Unbranded Amex Card prior to making the Unbranded Amex Card available, and in any event no later than one hundred and twenty (120) days following the date the applicable Credit Card Training is made available to Licensee by the applicable financial institution. Licensee will be entitled to retain any incentive payments paid by the issuer in connection with the issuance of any such new credit cards.

Subject to the foregoing, Licensee will continue to be expressly prohibited from entering into any agreement with a financial institution or any other Person to create a co-branded credit card or any co-branded alternative payment technology without Licensor's prior written consent.

ARTICLE XIV
CONFIDENTIALITY

Section 14.1 Confidential Information.

(a) Absent the prior written consent of the disclosing Party (the "Disclosing Party"), the receiving Party (the "Receiving Party") shall not use any of the Disclosing Party's Confidential Information other than as required to perform this Agreement or exercise its rights hereunder, and shall not disclose any such Confidential Information to any Person, other than to its Subsidiaries (but not including Licensee's Subsidiaries engaged in Separate Operations,) and their respective employees and counsel (and Persons described in Section 8.3(a) who need to know it for such Party to perform under this Agreement ("Recipients"), subject to commercially reasonable confidentiality agreements or obligations of confidentiality (and the provisions of Section 14.2 for Hilton Data). Each Party shall protect the security of the other Party's Confidential Information with the same measures it uses to protect its own most sensitive information, and shall use at least a commercially reasonable standard of care in this regard. Each Party is liable for any unauthorized use or disclosure of Confidential Information by it and its Recipients, and shall promptly notify the other Party about (and cooperate with the other Party to remediate) any instance of same.

(b) Confidential Information shall not include Information (other than Hilton Data, for which such exceptions do not apply) that: (i) was in the Receiving Party's possession on a non-confidential basis prior to the time of disclosure to such Party by or on behalf of the Disclosing Party; (ii) was or becomes generally available to the public other than as a result of a disclosure by the Receiving Party or its Recipients; (iii) becomes available to such Party on a non-confidential basis from a source other than the Disclosing Party or its Recipients; (iv) was independently developed by the Receiving Party without the use of Confidential Information of the Disclosing Party; or (v) is required to be disclosed by applicable Laws, subpoena, legal process or document demand (or to enforce a Party's rights under this Agreement), provided that the Receiving Party shall promptly inform the Disclosing Party of any such requirement, disclose no more Information than as required and cooperate with any efforts by the Disclosing Party to obtain a protective order or similar treatment.

Section 14.2 Data and Data Security.

(a) As between Licensor and Licensee, (i) Licensor is the owner of all Hilton Data and (ii) Licensee is the owner of all Licensee Data. Unless otherwise specified, to the extent that any data may fall within the definitions of both Hilton Data and Licensee Data, the use by a Party of such data shall be in accordance with the rights and restrictions applicable to data owned by such Party, without regard to the restrictions applicable to the same data to the extent owned by the other Party.

(b) Subject to all terms and conditions herein, including this Section 14.2(b), Licensor grants to Licensee during the Term a limited, nontransferable right to use the Hilton Data: (i) to engage in the promotion of the Licensed Vacation Ownership Business and (ii) for research and analysis in furtherance of Licensee's internal business purposes, in each case solely in connection with Licensee's operation of the Licensed Vacation Ownership Business. Except as otherwise expressly set forth herein, Licensee shall not use the Hilton Data (including in aggregate form) for any purpose. Without limiting the generality of the foregoing, in no event shall Hilton Data or any other Confidential Information of Licensor (including in aggregate form) be: (A) disclosed, sold, assigned, leased or otherwise provided to any Hilton Competitors or other third parties (including any non-Subsidiary Licensee Parties and Separate Operations) by Licensee; or (B) used by Licensee in the promotion or operation of any Separate Operation (including any Diamond Property or Bluegreen Property) unless and until such property has been converted to a Licensed Vacation Ownership Property in accordance with the terms of this Agreement, in each case except as otherwise expressly permitted pursuant to this Agreement or with Licensor's prior written consent. Notwithstanding the above rights, Licensor is not required to provide any Hilton Data to Licensee to the extent such provision would result in Licensor's violation of any applicable Laws, Privacy Policies or Data Security Policies.

(c) Licensee's Systems and Licensee's use of Hilton Data, whether acquired, obtained or developed prior to or after the Effective Date shall at all times comply with: (i) this Agreement, all applicable Laws, the Standards and Agreements and best practices in the industry; and (ii) Licensee's own Privacy Policies and Data Security Policies. Licensee shall provide to Licensor all of its policies and procedures with respect to the Licensee Systems as of the Effective Date and will not materially change same without Licensor's prior written consent. Licensee may not share or disclose Hilton Data to any third party vendor, or agent of Licensee without Licensor's prior written consent. Licensee shall ensure that its third-party vendors that operate, host or otherwise have access to Licensee Systems or Hilton Data also comply with the above applicable Laws, the Standards and Agreements, best practices in the industry and Licensor's Privacy Policies and Data Security Policies, and in all agreements with such vendors, shall expressly (i) require such compliance and (ii) designate Licensor as a third-party beneficiary with the right to enforce such agreement directly against such vendor with respect to all Hilton Data or Licensed IP. Other than as permitted under this Agreement, Licensee will not have, claim or assert any right against or to such Hilton Data.

(d) Licensee will notify Licensor immediately following discovery of any actual, attempted, suspected or threatened or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either physical security (including security at any facility housing Licensee Systems or relating to transportation of Licensee Systems or the physical media containing Licensor's Confidential Information) or Systems security (including security control measures of Systems of any variety) of any Licensee Systems used in connection with the Licensed Vacation Ownership Business (or Systems interacting with same) in any manner that either does or could reasonably be expected to permit unauthorized processing, use, disclosure or acquisition of or access to any Licensee Systems, Hilton Data, or other Confidential Information of Licensor, or otherwise harm the Licensed Vacation Ownership Business or the reputation or goodwill of Licensor (a "Security Breach"). Licensee shall remedy any such breach at its own expense, in compliance with all applicable Laws and the Standards and Agreements, and a remediation plan approved by Licensor, and the Parties shall cooperate fully in all such remedial actions. Unless otherwise required by applicable Laws, Licensee shall not make any notifications to customers, members or the general public of any such Security Breach without Licensor's prior written consent.

ARTICLE XV
ACCOUNTING AND REPORTS

Section 15.1 Maintenance of Records. Licensee, at its expense, will maintain and preserve for at least five (5) years (or, if longer, the period of time required by applicable Laws) after their creation or generation complete and accurate books, records and accounts for the Licensed Vacation Ownership Business, in accordance with United States Generally Accepted Accounting Principles, applicable Laws and the Standards and Agreements.

Section 15.2 Audit. During the Term and for three (3) years thereafter, Licensor and its representatives have the right, at any time, upon commercially reasonable notice to Licensee and at Licensor's cost, to examine, copy and audit all Information of Licensee for the past five (5) years preceding as is required to ensure that Licensee complies with this Agreement. Licensee will fully cooperate with any such audit. If an examination or audit reveals that Licensee has underpaid Licensor, Licensee will promptly pay to Licensor the amount underpaid plus interest. If the underpayment is five (5%) or more for the period being audited, Licensee will reimburse Licensor for all commercially reasonable costs and expenses connected with the audit. If the examination or audit establishes a pattern of underreporting, Licensor may require that the financial reports due hereunder be audited by an internationally recognized independent accounting firm.

Section 15.3 Royalty and Fee Reporting. During the Term and Tail Period, and for a period of at least one (1) year thereafter, Licensee agrees that it shall, at Licensee's expense, maintain accurate and complete records with respect to the basis upon which the Royalties and fees are calculated under this Agreement. Upon reasonable advance notice to Licensee, such records shall be open for inspection by representatives of Licensor during Licensee's regular business hours. Licensor has the right to inspect the records of all Licensee Parties to the extent that such records are relevant to how the Royalties and fees were calculated under this Agreement.

ARTICLE XVI
INDEMNIFICATION; INSURANCE

Section 16.1 Indemnification.

(a) Licensee shall indemnify, defend at its expense and hold harmless Licensor and its Subsidiaries and their respective officers, directors, agents, employees and representatives ("Related Parties") from and against any and all losses, costs, liabilities, damages, judgments, settlements, fees, claims, demands and expenses (including commercially reasonable attorneys' fees and costs of suit) ("Losses") resulting from (i) third-party claims based upon (w) Licensee's breach of this Agreement or any representation, warranty or covenant herein, (x) the operation of its Vacation Ownership Business, and all acts and omissions in connection therewith, (y) Licensee's use of or access to the Licensed IP or Hilton Data other than as expressly authorized herein and (z) Licensor's use as authorized herein of any content provided by Licensee under Section 1.2 and/or (ii) claims based upon any Security Breach or any unauthorized use, processing or disclosure of any Hilton Data.

(b) Licensor shall indemnify, defend at its expense and hold harmless Licensee and its Subsidiaries and their Related Parties from and against all Losses resulting from third-party claims based upon (i) Licensor's breach of this Agreement or any representation, warranty or covenant herein, (ii) Licensor and its Subsidiaries' operation of their businesses, and all of their acts and omissions in connection therewith or (iii) Licensee's use of the Licensed IP as expressly authorized herein.

(c) A Party receiving notice of an indemnified claim herein shall promptly notify the other Party. The indemnified Party may, at its expense, employ separate counsel and participate in (but not control) the defense, compromise or settlement of such claim, and shall fully cooperate with the indemnifying Party in connection therewith. Neither Party shall settle or compromise an indemnified claim in any manner that adversely affects the other Party without its prior written consent.

(d) For the avoidance of doubt, Licensee shall indemnify, defend at its expense, and hold harmless Licensor and its Subsidiaries and their Related Parties from and against any and all Losses resulting from any third-party claims based upon the Bluegreen Merger, the Choice Agreements, the Choice Amendment or any transactions contemplated thereby, and any and all acts and omissions in connection therewith.

Section 16.2 Insurance Policies. Licensee shall obtain and maintain at all times during the Term and thereafter, to the extent any such policies require coverage at the time a claim is made (unless such requirement is waived pursuant to Licensor's prior written consent), insurance of the following types:

(a) Commercial General Liability Insurance including coverage for premises and operations, contractual liability, bodily injury, personal injury, advertising injury, property damage, innkeeper's liability and liquor liability if applicable with a minimum policy limit of $25,000,000 USD per occurrence.

(b) Business Automobile Liability Insurance with coverage for any auto or vehicle whether owned, non-owned, hired, leased or otherwise used in the performance of this Agreement with limits of $25,000,000 USD combined single limit each accident.

(c) Crime, Employee Dishonesty Insurance with coverage for loss arising out of or in connection with any fraudulent or dishonest acts committed by the employees, acting alone or in collusion with others, in an amount of at least $2,000,000 USD.

(d) Employment Practice Liability Insurance shall be obtained in an amount no less than $1,000,000 USD. Such insurance shall include coverage for "mass"/class action multi-party claims, and shall specifically amend the definition of "Employer" to include both "Owner" and "Manager," regardless of who is the statutory employer.

(e) Property Damage and Business Interruption Insurance as follows:

(i) Property Damage and Business Interruption insurance on a special causes of loss policy form ("all-risk"), covering one hundred percent (100%) of the insurable replacement value of the building and its contents, and for full recovery of the net profits and continuing expenses for the property (including rental value and franchise fees) for a twelve (12) month period must be carried. The policy must include coverage for the peril of windstorm, earthquake, and flood with limits as close to replacement cost of the building as is available at commercially reasonable prices. Limits below full replacement cost should be based on a professional study probable maximum loss.

(ii) Broad form Boiler and Machinery Insurance, including business interruption coverage, against loss from accidental damage to, or from the explosion of, boilers, air conditioning systems, including refrigeration and heating apparatus, pressure vessels and pressure pipes in an amount equal to one hundred percent (100%) of the actual replacement value of such items plus full recovery of the net profits and continuing expenses of the property.

(iii) Terrorism Insurance coverage for both first party damage and third party liability either stand-alone, through a government operated or mandated pool, or as part of the General Liability coverage and the Property Damage and Business Interruption coverage.

(f) Workers' Compensation Insurance per applicable Laws and Employers Liability insurance with a limit not less than $1,000,000 USD each accident for bodily injury, $100,000,000 USD each employee for bodily injury by disease, and $1,000,000 USD policy limit for disease.

(g) Cyber Liability Insurance, including but not limited to coverage for privacy and network security liability: 1st and 3rd party liability, wrongful disclosure of data, breach of security, downtown, identification theft, credit monitoring service and with a minimum policy limit of $3,500,000 USD each occurrence of claim.

(h) Upon sixty (60) days written notice, such other insurance in such amounts as Licensor may reasonably request against such other insurable hazards common in the industry, taking into account the changing circumstances in the law and insurance marketplace.

Section 16.3 Insurance Requirements.

(a) Licensee shall purchase the insurance in Section 16.2 solely from insurance companies with a financial rating acceptable to Licensor, which shall be no less than A—WI if rated by the company A.M. Best. Licensee shall provide evidence to Licensor via certificate (initial coverage, renewal or change in limits) by fax, email or upload to Licensor (or Licensor's external partner as indicated by Licensor to Licensee) of its compliance with Section 16.2 and Section 16.3 herein.

(b) With the exception of Boiler & Machinery and Workers' Compensation, all insurance policies must name Licensor and its Affiliates and their respective past and current employees, officers and directors as additional insureds. Licensor shall cause all policies to be endorsed to be primary

insurance with no recourse to, or contribution from, other similar insurance, if any, which may be carried by Licensor or its Affiliates.

(c) Requests by Licensee to modify requirements for Earthquake, Flood, Windstorm or Terrorism may be submitted to Licensor's "Risk Management" division for consideration. Guidelines for such requests may be requested from RiskManagement@hilton.com.

(d) If Licensee breaches its obligations under Section 16.2 or Section 16.3, Licensor may (but is not obligated to) obtain and maintain insurance to remedy such breach without notifying Licensee, and Licensee shall immediately reimburse Licensor for all costs and premiums in this regard.

Section 16.4 Licensee's Obligations. Licensor makes no representation, implied or express, that the foregoing insurance requirements are adequate to protect Licensee from its potential liability relating to this Agreement or the Licensed Vacation Ownership Business. The insurance coverage requirements do not limit Licensee's indemnification or other liabilities to Licensor under this Agreement. Any failure of Licensor to demand evidence of compliance by Licensee with Section 16.2 or Section 16.3 shall not be construed as a waiver of Licensee's obligations.

Section 16.5 Contribution. If a Party's indemnification obligations herein are unavailable, unenforceable or insufficient to indemnify, hold harmless and defend the indemnified Party and its Related Parties from an indemnified claim herein, the indemnifying Party will, to the fullest extent permitted by applicable Laws, contribute to the Losses of any indemnified parties for an indemnified claim, in proportion to the relative fault of the indemnifying Party in relation to such claim.

ARTICLE XVII
TRANSFERS

Section 17.1 By Licensee. Without the prior written consent of Licensor, Licensee cannot assign, mortgage or pledge its rights under this Agreement, in whole or in part, to any Person other than an assignment of this Agreement in its entirety to an Affiliate, solely as part of an internal reorganization for tax or administrative purposes, and solely if (a) Licensee guarantees the performance of such Affiliate thereafter and (b) the assignee is the ultimate parent entity in Licensee's organization or otherwise has the power to control the actions of all of Licensee's Affiliates receiving the benefit of this Agreement. For clarity, this Agreement shall be construed as an agreement for the personal services of Licensee in its current form as a non-bankrupt entity, and Licensee may not assume this Agreement (or assign this Agreement to any other Person, including an Affiliate) in bankruptcy without Licensor's prior written consent. Without the prior written consent of Licensor, Licensee shall not permit a tax sale, seizure, security interest, lien, mortgage or encumbrance or attachment to occur with respect to any Licensed Vacation Ownership Property.

Section 17.2 By Licensor. Licensor may assign this Agreement, in whole or in part, in its discretion, provided that any successor or acquirer must assume in writing all of Licensor's obligations hereunder. Licensor may delegate its obligations herein to any Person, provided that Licensor is obligated hereunder for such Person's acts or omissions.

Section 17.3 By Either Party. Any purported assignment, sublicense, acquisition or other transaction with a third party in violation of any provision of this Agreement shall be null and void at the outset. In the event of a permitted assignment hereunder, this Agreement will be binding upon and inure to the benefit of the Parties' permitted successors or assigns.

ARTICLE XVIII
BREACH, DEFAULT, AND REMEDIES

Section 18.1 Deflagging. Upon the occurrence of any of the events below (each a "Deflagging Event"), without limiting its other rights and remedies herein, Licensor has the right to require Licensee to Deflag the applicable Licensed Vacation Ownership Property and terminate access to or use of all Licensed IP, Hilton Data and Loyalty Program by the applicable Licensed Vacation Ownership Property, whether or not it is Controlled by an HOA or Controlled by Licensee (the "Deflagged Property"), and Licensor may exercise the applicable remedy as set forth below:

(a) If execution is levied against any Licensed Vacation Ownership Property in connection with a final, non-appealable judgment for the payment of an amount in excess of $10,000,000 USD (as adjusted annually after the Effective Date by the CPI Adjustment), or a suit to foreclose any lien, mortgage or security interest (except for foreclosures with respect to consumer financing and mechanics liens that are placed on such Licensed Vacation Ownership Property in the ordinary course of business) on such Licensed Vacation Ownership Property or any property necessary for the operation of such Licensed Vacation Ownership Property in accordance with Standards and Agreements, is initiated and not vacated within ninety (90) days, then Licensor may issue of notice of breach to Licensee with respect to such Licensed Vacation Ownership Property. Licensee shall have thirty (30) days following notice of breach to post a bond or provide other financial assurances reasonably acceptable to Licensor that such Licensed Vacation Ownership Property can continue to operate as part of the Licensed Vacation Ownership Business in accordance with this Agreement. Licensee's failure to obtain such bond or provide adequate financial assurances is a Deflagging Event and Licensor may Deflag such Licensed Vacation Ownership Property immediately upon notice to Licensee.

(b) An on-going threat or danger to public health or safety occurs at any Licensed Vacation Ownership Property, and such occurrence has or is reasonably expected to have a substantial, material and adverse effect on such Licensed Vacation Ownership Property, Licensor, the Licensed IP or any goodwill associated therewith, Licensee will notify Licensor of the threat or danger and Licensee will provide Licensor with a plan to address such threat or danger in a manner reasonably acceptable to Licensor, which plan may include proposed arrangements to accommodate guests at alternative lodging facilities. Depending on the severity of such threat or danger, Licensor may suspend or remove such Licensed Vacation Ownership Property from the Licensed IP, Hilton Data and Loyalty Program until resolution of the threat or danger. If the threat or danger to public health or safety is not eliminated within six (6) months and Licensee fails to develop a plan to address such threat or danger in a manner reasonably acceptable to Licensor, it shall be a Deflagging Event and Licensor may Deflag such Licensed Vacation Ownership Property, immediately upon notice to Licensee.

(c) Except where the failure to meet the applicable thresholds for performance under the quality assurance audit system at such Licensed Vacation Ownership Property is directly a result of Licensor's actions or inactions with respect to the provision of management services or shared services at such Licensed Vacation Ownership Property, it shall be a Deflagging Event if Licensed Vacation Ownership Property fails to achieve the thresholds of performance established by the Licensor's quality assurance audit system and such failure has not been cured within the applicable cure period under the quality assurance audit system which shall not be less than thirty (30) days. If Licensee fails to cure or enter into a remediation arrangement with Licensor within ninety (90) days following the date of the Deflagging Event, or fails to improve the performance of such Licensed Vacation Ownership Property in accordance with the remediation arrangement, Licensor may Deflag such Licensed Vacation Ownership Property, immediately upon notice to Licensee.

(d) If any Licensed Vacation Ownership Property is not Operated in compliance with the Standards and Agreements and this Agreement, Licensor may issue a notice of breach to Licensee with respect to such Licensed Vacation Ownership Property. If Licensee fails to cure the breach within the time period specified in the notice, which shall not be less than thirty (30) days, it shall be a Deflagging

Event. If Licensee fails to cure or enter into a remediation arrangement with Licensor within sixty (60) days following the date of the Deflagging Event, or fails to improve the performance of such Licensed Vacation Ownership Property in accordance with the remediation arrangement, Licensor may Deflag such Licensed Vacation Ownership Property, immediately upon notice to Licensee.

(e) Any Deflagging Event shall not affect the rights of the other Licensed Vacation Ownership Properties hereunder. Upon notice from Licensor of Deflagging, Licensee shall notify the Deflagged Property within 30 days, and starting from the date of Deflagging, Licensee will comply with the terms of Section 19.1 with respect to such property. If Licensee then wishes to continue to operate the Deflagged Property, Licensee may operate it solely as a Separate Operation. This Section 18.1 is cumulative with, and shall not limit Licensor's rights under Section 18.3.

(f) If Licensee fails to operate any sales facility or member service center, each case related to the Licensed Vacation Ownership Business, in compliance with the Standards and Agreements or this Agreement, then Licensor may issue a notice of breach with respect to such failure. If Licensee fails to remedy within thirty (30) days of such notice, then Licensor may require Licensee to close such sales facility or member service center or cease to operate such sales facility or member service center as part of the Licensed Vacation Ownership Business.

(g) Upon the occurrence of a Deflagging Event, without limiting its other rights and remedies herein, Licensee shall not develop new phases of such Licensed Vacation Ownership Property as determined by Licensor its sole discretion until the breach is cured.

Section 18.2 Termination by Licensor for Bankruptcy by Licensee. Licensor may immediately terminate this Agreement, effective upon notice to the Licensee, if Licensee dissolves, liquidates, ceases business operations (excluding a merger into another entity that continues such operations thereafter), becomes insolvent, generally does not pay its debts as they become due or files a voluntary petition (or consents to an involuntary petition) or an involuntary petition is filed and is not dismissed within sixty (60) days under any bankruptcy, insolvency or similar Laws.

Section 18.3 Termination by Licensor For Breach by Licensee. Licensor may immediately terminate this Agreement in its entirety, effective upon notice to Licensee, if at any time during the Term:

(a) (i) 25% or more of the Licensed Vacation Ownership Properties are failing the performance thresholds of Licensor's then-current quality assurance system for Vacation Ownership Properties or (ii) Licensee's overall customer satisfaction score for all Licensed Vacation Ownership Properties is less than 60, and in each case of (i) and (ii), such failure has not been cured within the applicable cure period under the quality assurance or customer satisfaction audit system, which shall not be less than thirty (30) days or (iii) Licensee fails to operate any Licensed Vacation Ownership Property in compliance with this Agreement or the Standards and Agreements, or otherwise breaches any of the foregoing, and such failure or breach has a material adverse effect on the business, goodwill, operations, assets, liabilities (actual or contingent) or financial condition of Licensor and its Subsidiaries, taken as a whole;

(b) Licensee timely fails to pay any amounts due herein in excess of (i) $5 million USD (as adjusted annually after the Effective Date by the CPI, or its equivalent, if the CPI is unavailable, the "CPI Adjustment") and does not cure such payment within fifteen (15) days or (ii) $3 million USD (subject to the CPI Adjustment) two (2) or more times within any twenty-four (24) month period;

(c) A threat or danger to public health or safety occurs at any Licensed Vacation Ownership Property, and such occurrence has a material adverse effect on the business, goodwill, operations, assets, liabilities (actual or contingent) or financial condition of Licensor and its Subsidiaries, taken as a whole;

(d) Licensee directly or indirectly becomes an Affiliate of a Person who is (i) (x) owned or Controlled by, or is acting on behalf of any Governmental Entity of any country that is subject to comprehensive U.S. sanctions in force; (y) located in, organized under the laws of or ordinarily resident in any such country; or (c) identified by any Governmental Entity as a person with whom dealings and transactions by Licensee are prohibited or restricted or (ii) a Hilton Competitor, unless the Hilton Competitor's Vacation Ownership Business is managed thereafter as a Separate Operation;

(e) Licensee breaches Section 9.2 (without giving effect to the provisions therein that would render any breaching transaction null and void) or Section 9.3; or

(f) Licensee (i) contests in any Action Licensor's ownership or the validity of the Licensed IP or Hilton Data or assists any other Person to do same; (ii) assigns this Agreement in violation of Section 17.1 (without giving effect to the provisions in Section 17.3 that would render such assignment null and void); (iii) intentionally submits false information or maintains false records or books with respect to its payment obligations herein; (iv) has a senior executive or board member that is convicted of a felony (or any other crime that is reasonably likely to harm Licensor, the Licensed Marks or their goodwill); or (v) is the subject of publicly disclosed information that harms any licenses or permits held by Licensor or its Subsidiaries or their stature with any Governmental Entity.

Section 18.4 Termination of Corporate Name Rights. Licensee's license to use the Licensed Marks as a trade, corporate, d/b/a or similar name shall terminate automatically if:

(a) the aggregate number of units of accommodation in the Licensed Vacation Ownership Business falls below two-thirds of the total number of units of accommodation in Licensee's entire Vacation Ownership Business; *provided*, *that*, for the purposes of this proviso (a), Licensee's license shall not automatically terminate during the Diamond Integration Period solely as a result of, or in connection with, the acquisition of Diamond Properties and related Diamond Business in the Diamond Merger (and after the Diamond Integration Period, Licensee's license will again be subject to termination in accordance with this Section 18.4(a)); and *provided*, *further*, *that*, for the purposes of this proviso (a), Licensee's license shall not automatically terminate during the two (2)-year period commencing on the Bluegreen Closing Date or such other longer time period as may be specified in the Bluegreen Rebrand Plan solely as a result of, or in connection with, the acquisition of Bluegreen Properties and related Bluegreen Business in the Bluegreen Merger (and after such time period, Licensee's license will again be subject to termination in accordance with this Section 18.4(a));

(b) if Licensee, directly or indirectly, merges with or into or acquires Control of the assets of Marriott International, Inc., Marriott Vacations Worldwide Corporation, Hyatt Hotels Corporation, Wyndham Hotels and Resorts, Inc., Travel + Leisure, Inc. (f/k/a Wyndham Destinations, Inc.), or their respective Affiliates and Licensee or any such other Person uses the brands of such Persons in any business after such acquisition; or

(c) Licensee becomes an Affiliate of a Hilton Competitor, in each case, regardless of whether the Licensed Vacation Ownership Business is operated as a Separate Operation.

Section 18.5 Suspension. Upon a default under Section 18.3(a) or Section 18.3(c), without limiting its other rights and remedies herein, Licensor has the right to suspend Licensee's access to and use of all Licensed IP and/or Hilton Data (other than the Licensed Marks and Licensed Content) until such breach is cured.

Section 18.6 Intentionally Omitted.

Section 18.7 Cure Period for Breaches in connection with the Bluegreen Merger. Notwithstanding anything to the contrary in this Agreement, to the extent that any Bluegreen Integration of any part of the Bluegreen Business or the Bluegreen Properties into Licensee's business, including as part of the Bluegreen Rebrand Plan, would cause or result in any violation, conflict, inconsistency, or breach of any of the provisions contained in this Agreement, Licensee shall notify Licensor promptly upon the discovery of the same. Thereafter, the Parties agree to cooperate reasonably so as to allow Licensee to take all reasonably necessary steps to resolve such violation, conflict, inconsistency, or breach; provided, that, Licensee shall have up to twelve (12) months from the date of such notification to take all reasonably necessary steps to resolve such violation, conflict, inconsistency, or breach; provided, further, that in no event shall the total period of time to resolve all such violations, conflicts, inconsistencies, and breaches extend beyond the date that is twenty-four (24) months from the Bluegreen Closing Date. Notwithstanding the foregoing, (a) nothing in the foregoing will prohibit Licensor from exercising its deflagging rights under Section 18.17 with respect to a Bluegreen Property that has converted to a Bluegreen Rebranded Property in accordance with the Bluegreen Rebrand Plan, (b) this Section 18.7 shall not apply to any event, circumstance, or condition that (i) constitutes a violation, conflict, inconsistency, or breach of this Agreement, and (ii) has a material adverse effect on the business, goodwill, operations, assets, liabilities (actual or contingent) or financial condition of Licensor and its Subsidiaries, taken as a whole, and (c) this Section 18.7 shall not apply to any violation, conflict, inconsistency or breach of any Choice Agreement.

ARTICLE XIX
POST TERMINATION OBLIGATIONS

Section 19.1 After Termination. On termination or expiration of this Agreement, Licensee will:

(a) within 10 days, pay all sums due and owing to Licensor, including all costs and expenses incurred by Licensor in obtaining injunctive relief in connection with the enforcement of this Agreement;

(b) cease using (and at Licensor's option, securely destroy or return when applicable) the Licensed IP and Hilton Data according to the following deadlines:

(i) immediately, cease creating new advertising, marketing and promotional materials in any form or media that contain the Licensed Marks;

(ii) immediately, cease all access to and use of Licensor's Confidential Information;

(iii) within 10 days, cease all access to the Licensed System;

(iv) within 10 days, at Licensor's option, securely destroy or return to Licensor all of Licensor's Confidential Information;

(v) within 20 days, delete all uses of Licensed Marks from all websites, social and mobile media and other digital or electronic venues in Licensee's possession or control and establish Licensor's designated employees as all contact names on any registrations or reservations for domain names, social, mobile media and similar identifiers;

(vi) within 30 days, file to change or transfer to Licensor, at Licensor's option, all corporate, trade and d/b/a names and vanity telephone numbers to names (or numbers corresponding to names) that do not contain any Licensed Marks;

(vii) within 60 days, cease using all Licensed Content in digital or electronic media;

(viii) within 6 months, cease using all business cards, stationery, brochures, portable signage and all other printed matter and collateral that is visible to the public and bears the Licensed Marks;

(ix) within 1 year, remove the Licensed Marks from all motor vehicles and large outdoor signage; and

(x) in the next replacement cycle, cease using all internal office collateral that is not visible to the public and bears the Licensed Marks.

Section 19.2 Liquidated Damages. Each Party agrees that the termination of this Agreement due to the fault of Licensee will cause substantial damage to Licensor, and without limiting Licensor's right to seek injunctive or equitable relief, Licensor may in its sole discretion elect to receive, in lieu of actual damages, a payment of liquidated damages not as a penalty, but as a commercially reasonable estimate of the minimum just and fair compensation for its lost profits and/or direct damages. If Licensor so elects, such liquidated damages will be due thirty (30) days following any termination of this Agreement and shall be an amount equal to the net present value as of the termination date of all unpaid Royalties and fees under Article III that Licensor expected (had Licensee not breached) to collect for the remainder of the Term. A discount rate of 8% shall be used to determine the net present value.

Section 19.3 Cross-Default. Upon termination of this Agreement, all Standards and Agreements shall automatically terminate.

Section 19.4 Survival. Section 1.1(b), Article III (for fees accruing prior to termination date), Section 4.2, Section 13.1, Section 14.1, Section 14.2(a), Section 15.1—Section 15.3, Section 16.1 and Section 16.5, Article XIX and Article XXI —Article XXV shall survive the expiration or termination of this Agreement.

ARTICLE XX
COMPLIANCE WITH LAWS

Section 20.1 Applicable Laws. At all times during the Term, Licensee will (a) at its sole expense, operate the Licensed Vacation Ownership Business in strict compliance with all applicable Laws and (b) subject to reimbursement by Licensor for its commercially reasonable out-of-pocket costs, provide Licensor with all information relating to the Licensed Vacation Ownership Business that is necessary or desirable to allow Licensor to comply with all applicable Laws.

Section 20.2 Notice of Events.

(a) Licensee shall promptly provide to Licensor all Information Licensor reasonably requests about Licensee and its Subsidiaries (including its and their respective beneficial owners, officers, directors, shareholders, partners or members) and/or the Licensed Vacation Ownership Business and the Licensed Vacation Ownership Properties;

(b) Licensee shall give Licensor notice within ten (10) business days of: (i) any occurrence that reasonably could materially adversely affect any Licensed Vacation Ownership Property, the Licensed Vacation Ownership Business or the financial condition of Licensee; (ii) any communication from a Governmental Entity alleging that the Licensed Vacation Ownership Business (or Licensee's

Operating of same) fails to comply with any Laws, or that may materially adversely affect the Operation or financial condition of Licensee or the Licensed Vacation Ownership Business; or (iii) any potential or pending Action of which Licensee becomes aware (x) that names Licensor or its Subsidiaries, the Licensed IP or Hilton Data, (y) that would be reasonably likely to have a material adverse effect on the Licensed Vacation Ownership Business, the Licensed IP or Hilton Data, or (z) with respect to which the amount in controversy relating to the Licensed Vacation Ownership Business exceeds five million dollars ($5,000,000 USD).

ARTICLE XXI
RELATIONSHIP OF PARTIES

Section 21.1 Consent Standard. Any consent or approval given under this Agreement may be given or withheld by a Party in its sole discretion, unless otherwise specified.

Section 21.2 Independent Contractor. The Parties are independent contractors, and nothing in this Agreement is intended to constitute or deem either Party as an agent, legal representative, fiduciary, subsidiary, joint venturer, partner, manager, employee or servant of the other Party for any purpose, provided that Licensor may act on Licensee's behalf as Licensee's agent for purposes of booking reservations at any Licensed Vacation Ownership Property. Nothing in this Agreement authorizes either Party to make, provide, or enter into any contract, agreement, warranty or representation on the other Party's behalf or to incur any debt or other obligation in the other Party's name.

ARTICLE XXII
GOVERNING LAW/DISPUTE RESOLUTION

Section 22.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York without reference to any choice-of-law or conflicts of law principles that would result in the application of the laws of a different jurisdiction.

Section 22.2 Negotiation. In the event of a dispute arising out of or in connection with this Agreement (including its interpretation, performance or validity) (collectively, "Agreement Disputes"), the general counsels of the relevant Parties (or such other individuals designated thereby) shall negotiate for a maximum of 21 days (or a mutually-agreed extension) (such period of days, the "Negotiation Period") from the time of receipt by a Party of written notice of such Agreement Dispute. The relevant Parties shall not assert the defenses of statute of limitations and laches for any delays arising due to the procedures in Sections 22.2 or 22.3.

Section 22.3 Mediation. If the Parties have not timely resolved the Agreement Dispute under Section 22.2, the Parties agree to submit the Agreement Dispute within to mediation no later than 10 days following the end of the Negotiation Period, with such mediation to be conducted in accordance with the Mediation Procedure of the International Institute for Conflict Prevention and Resolution ("CPR"). The

Parties to the Agreement Dispute agree to bear equally the CPR and mediator's costs. The Parties agree to participate in good faith in the mediation for a maximum of 14 days (or a mutually agreed extension). If the Parties have not timely resolved the Agreement Dispute pursuant to this Section 22.3, either Party may then bring an action in accordance with Sections 22.4 and 22.5 herein.

Section 22.4 Consent to Jurisdiction. Each Party irrevocably submits to the exclusive jurisdiction of (a) the Court of Chancery of the State of Delaware or (b) if such court does not have subject matter jurisdiction, any other state or federal court located within the County of New Castle in the State of Delaware, to resolve any Agreement Dispute that is not resolved pursuant to Sections 22.2 or 22.3. Any judgment of such court may be enforced by any court of competent jurisdiction. Further, notwithstanding Sections 22.2 and 22.3, either Party may apply to the above courts set forth in Section 22.4(a) & 22.4(b) above for a temporary restraining order or similar emergency relief during the process set forth in Sections 22.2 and 22.3. Each of the Parties agrees that service by U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any of the above Actions and irrevocably and unconditionally waives any objection to the laying of venue of any Action in accordance with this Section 22.4. Nothing in this Section 22.4 shall limit or restrict the Parties from agreeing to arbitrate any Agreement Dispute pursuant to mutually-agreed procedures.

Section 22.5 Waiver of Jury Trial. EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING ANY AGREEMENT DISPUTE.

Section 22.6 Confidentiality. All information and communications between the Parties relating to an Agreement Dispute and/or under the procedures in Sections 22.2 and 22.3 shall be considered "Confidential Information" under Article XIV herein.

Section 22.7 Continuity of Performance. Unless otherwise agreed in writing, the Parties shall continue to perform under this Agreement during the course of dispute resolution under this Article XXII with respect to all matters not subject thereto.

ARTICLE XXIII
NOTICES

All notices under this Agreement shall be in English, in writing and given or made by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Article XXIII):

To Licensor:

Hilton Worldwide Holdings Inc. 7930 Jones Branch
Drive, Suite 1100
McLean, Virginia 22102 Attn: General Counsel
Facsimile: (703) 883-6188

To Licensee:

Hilton Grand Vacations Inc.
5323 Millenia Lakes Boulevard, Suite 120
Orlando, Florida 32839 Attn: General Counsel
Facsimile: (407) 722-3776

ARTICLE XXIV
MISCELLANEOUS

Section 24.1 Complete Agreement; Construction. This Agreement, including the Exhibits, shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments, course of dealings and writings with respect to such subject matter. Except as set forth in this Agreement, this Agreement shall not limit any right or remedy of the Parties that accrued prior to the Amendment Effective Date.

Section 24.2 Counterparts. This Agreement may be executed in more than one counterpart, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Parties. Facsimile or PDF signature shall serve as originals for purposes of binding the Parties hereto.

Section 24.3 Amendment. This Agreement may not be modified or waived in whole or in part except by an agreement in writing signed by Licensor and Licensee.

Section 24.4 Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Section 24.5 Title and Headings. Titles and headings to sections herein are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 24.6 Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, and such provision shall be interpreted to fullest extent possible consistent with the Parties' intent. Further, the Parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 24.7 Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

Section 24.8 No Waiver. No failure to exercise and no delay in exercising, on the part of any Party, any right, remedy, power or privilege hereunder shall operate as a waiver hereof or thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 24.9 Cumulative Remedies. No right or remedy conferred upon or reserved to Licensor or Licensee by this Agreement is intended to be, nor will be, deemed exclusive of any other right or remedy herein or by law or equity provided or permitted, but each will be cumulative of every other right or remedy.

Section 24.10 Force Majeure. Neither Party (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation or Licensee's obligations under Article XIV) under this Agreement (which is an "Ancillary Agreement" as defined in the Distribution Agreement), so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (a) notify the other Party of the nature and extent of any such Force Majeure condition and (b) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

ARTICLE XXV
WARRANTIES

Section 25.1 By Each Party. Without modifying the Distribution Agreement, each Party represents and warrants to the other Party that: (a) the warranting Party has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement and (b) this Agreement has been duly executed and delivered by the warranting Party and, assuming the due execution and delivery of this Agreement by both Parties, constitutes a valid and binding agreement of the warranting Party enforceable against the warranting Party in accordance with its terms.

Section 25.2 Disclaimer. Except as expressly set forth in Section 25.1, each Party disclaims any representations and warranties, either express or implied, with respect to this Agreement, and Licensor disclaims any representations and warranties, either express or implied, with respect to the Licensed Marks, including any warranty of ownership, non-infringement, suitability, value, fitness for use or non- infringement of third party rights.

Section 25.3 Limitation on Damages. Except for claims arising under or breaches of Article XVI, neither Party will be liable to the other Party for any (a) special, incidental, indirect, exemplary, punitive or consequential damages or (b) except for Licensor's reasonably estimated lost profits included in the liquidated damages payment in Section 19.2, lost profits, in each case, relating to this Agreement, regardless of whether such Party has been notified of the possibility or the foreseeability thereof.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

HILTON WORLDWIDE HOLDINGS INC.

By: /s/ Mike Hollman
Name: Mike Hollman
Title: SVP and Treasurer

HILTON GRAND VACATIONS INC.
By: /s/ Gordon Gurnik
Name: Gordon Gurnik
Title: Chief Operating Officer

[Signature Page to Second A&R License Agreement]

EXHIBIT A DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

(1) "Action" shall mean any demand, action, claim, suit, countersuit, arbitration, inquiry, subpoena, case, litigation, proceeding or investigation (whether civil, criminal, administrative or investigative) by or before any court or grand jury, any Governmental Entity or any arbitration or mediation tribunal.

(2) "Acquired Vacation Business" has the meaning set forth in Section 2.6(a).

(3) "Acquired Vacation Property Inventory" has the meaning set forth in Section 2.6(c).

(4) "Affiliate" shall mean, when used with respect to any Person, another Person that directly or indirectly Controls, is Controlled by or is under common Control with such Person. For clarity, Licensor, Licensee and PHRI (and their respective Subsidiaries after the Effective Date) shall not be deemed to be Affiliates of each other in this Agreement.

(5) "Agreement" means this Amended and Restated HGV License Agreement, including all Exhibits and Schedules (including those included in the Original Agreement), as each may be amended by the Parties from time to time.

(6) "Amendment Effective Date" has the meaning set forth in the Recitals.

(7) "Bass Pro" shall mean Bass Pro, Inc. and its Affiliates.

(8) "Bass Pro Gross Revenues" shall mean any Bluegreen Converted Brand Gross Revenue that is sourced by or through lead or sources from Bass Pro or pursuant to the HGV-Bass Pro Joint Venture pursuant to certain marketing and joint venture agreements and arrangements, which will become effective in connection with the closing of the Bluegreen Merger, between Licensee and Bass Pro.

(9) "Blocked Person" shall mean (a) a Person designated by the U.S. Department of Treasury's Office of Foreign Assets Control as a "specially designated national or blocked person" or similar status; (b) a Person described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or (c) a Person otherwise identified by government or legal authority as a Person with whom Licensor, Licensee or any of their Affiliates, are prohibited from transacting business As of the Effective Date, a list of such designations and the text of the Executive Order are published under the internet website address www.ustreas.gov/offices/enforcement/ofac.

(10) "Bluegreen" has the meaning set forth in the Recitals.

(11) "Bluegreen Business" shall mean the Vacation Ownership Business and related businesses as owned and/or operated by Bluegreen and its Subsidiaries at the time of the Bluegreen Merger.

(12) "Bluegreen Club" shall mean the existing trust (through which access to Bluegreen Properties are made available to Bluegreen owners through an Exchange Program.

(13) "Bluegreen Converted Brand" shall mean such new brand or brands developed, or to be developed, by Licensee after the Bluegreen Closing Date in connection with the Integration of Bluegreen Business.

(14) "Bluegreen Converted Brand Eligible HOA" shall mean HOAs operated in connection with Bluegreen Converted Brand Licensed Vacation Ownership Properties

(15) "Bluegreen Converted Brand Eligible HOA Expenses" shall mean Bluegreen Converted Brand Eligible HOA operating expenses, reserves and real estate taxes to the extent Licensee's compensation from the Bluegreen Converted Brand Eligible HOA is calculated upon such amounts collected from all owners other than Licensee.

(16) "Bluegreen Converted Brand Fee For Services Sales Price" shall mean any applicable Fee For Services Sales Price that is associated with Bluegreen Converted Brand Offering.

(17) "Bluegreen Converted Brand Gross Revenues" shall mean the sum of:

(a) the aggregate Bluegreen Converted Brand Gross Sales Price;

(b) Bluegreen Converted Brand Fee For Services Sales Price, if any or applicable;

(c) Bluegreen Converted Brand Leasehold Sales Price Amortization, if any or applicable;

(d) Bluegreen Converted Brand Property Operations Revenue;

(e) Bluegreen Converted Brand Offering Revenue;

(f) Bluegreen Converted Brand Marketing Package Revenue; and

(g) Bluegreen Converted Brand Transient Rental Revenue.

provided; however, that Bluegreen Converted Brand Gross Revenues (including each of the components set forth above from (a) through (g) shall not include, at all times, any Bass Pro Gross Revenues or Choice Gross Revenues.

(18) "Bluegreen Converted Brand Gross Sales Price" shall mean the Gross Sale Price but only as applicable to Bluegreen Converted Brand Licensed Vacation Ownership Properties and sales of interests in Bluegreen Converted Brand Offering. Bluegreen Converted Brand Gross Sales Price shall not include the sale of any Bluegreen Property or other Bluegreen Business offering that does not utilize any Licensed IP, Hilton Data or Loyalty Program benefits.

(19) "Bluegreen Converted Brand Leasehold Sales Price Amortization" shall mean any applicable Leasehold Sales Price Amortization for Bluegreen Converted Brand Licensed Vacation Ownership Properties that is associated with Bluegreen Converted Brand Offering.

(20) "Bluegreen Converted Brand Licensed Vacation Ownership Business" shall mean (a) Licensee's business of operating an Exchange Program of a Bluegreen Converted Brand, Bluegreen Converted Brand Licensed Vacation Ownership Properties, and/or Bluegreen Converted Brand Offering for vacation or leisure purposes, (b) natural extensions of and ancillary products and services for such business of Licensee, including membership services, financing, establishing and operating sales facilities, managing rental programs associated with Bluegreen Converted Brand Licensed Vacation Ownership Properties, but excluding products and services of the type excluded from the Vacation Ownership Business definition, and (c) products and services that Licensor has approved pursuant to Section 9.11**.**

(21) "Bluegreen Converted Brand Licensed Vacation Ownership Property" shall mean any Bluegreen Property that has been converted into Licensed Vacation Ownership Property in accordance with Section 5.10, which property may be re-branded with a Bluegreen Converted Brand or may be branded with an Existing Licensed Mark.

(22) "Bluegreen Converted Brand Marketing Package Revenue" shall mean revenue from the sale of vacation packages for stays at Licensor Lodging Properties or Bluegreen Converted Brand Licensed Vacation Ownership Properties which relate to the marketing of Bluegreen Converted Brand Licensed Vacation Ownership Properties which includes the sale of trial memberships of Bluegreen Converted Brand Licensed Exchange Program known as exit, sampler or vacation introduction programs as well as forfeiture revenue related to the expiration of vacation packages and trial memberships.

(23) "Bluegreen Converted Brand Offering" shall mean one or more future package of benefits and services which may or may not constitute a separate Exchange Program to be developed by Licensee in accordance with Section 5.10 and operated by Licensee using New Licensed Marks, which offering will provide access across all or a portion of the Licensed Exchange Program and all or a portion of the

Bluegreen Converted Brand Licensed Vacation Ownership Properties along with access to certain other agreed Licensor benefits.

(24) "Bluegreen Converted Brand Offering Revenue" shall mean Licensee's revenue resulting from the collection of upgrade fees or annual dues paid by members (mandatory and voluntary) related to a Bluegreen Converted Brand Offering.

(25) "Bluegreen Converted Brand Property Operations Revenue" shall mean Property Operations Revenue related to Bluegreen Converted Brand Licensed Vacation Ownership Properties.

(26) "Bluegreen Converted Brand Transient Rental Revenue" shall mean Transient Rental Revenue related to Bluegreen Converted Brand Licensed Vacation Ownership Properties.

(27) "Bluegreen Integration Period" shall mean the time period beginning on the Bluegreen Royalty Commencement Date and ending on the fourth anniversary thereof.

(28) "Bluegreen Merger" has the meaning set forth in the Recital.

(29) "Bluegreen Property" shall mean each Vacation Ownership Property that is either owned or managed by Bluegreen as of the Bluegreen Closing Date and acquired by Licensee in connection with the Bluegreen Merger.

(30) "Bluegreen Royalty Commencement Date" shall mean January 1, 2024.

(31) "Brand Standards" shall mean the guidelines developed for use with the Licensed Vacation Ownership Business as modified, amended or supplemented from time to time in accordance with Article VII, which include without limitation standards and specifications related to health, fire and life safety, security, guest services and assistance, quality assurance as well as design and construction standards, it being acknowledged Brand Standards differ from other Licensor brand standards in a manner to reflect appropriate differences between hotel service levels and service levels applicable to the Licensed Vacation Ownership Business.

(32) "Call" has the meaning set forth in the Marketing Services Agreement.

(33) "Choice" shall mean Choice Hotels International, Inc. and its Affiliates.

(34) "Choice Agreements" shall mean, collectively, the Choice Brand Agreement, Choice Call Transfer Agreement, Choice Strategic Agreement, Choice Telemarking Agreement, each Choice Ascend Collection Membership Agreement, and any other written agreement or understanding between Choice Hotels International, Inc. and Bluegreen Vacations Unlimited, Inc., whether now or hereafter in effect.

(35) "Choice Amendment" shall mean the Omnibus Amendment to each of the Choice Brand Agreement, the Choice Call Transfer Agreement, and the Choice Strategic Agreement, dated as of November , 2024, by and among Choice Hotels International, Inc., Bluegreen Vacations Unlimited, Inc., and Bluegreen Resorts Management.

(36) "Choice Brand Agreement" shall mean the Amended and Restated Brand License and Marketing Agreement, dated August 16, 2017, by and between Choice Hotels International, Inc. and Bluegreen Vacations Unlimited, Inc.

(37) "Choice Call Transfer Agreement" shall mean the Amended and Restated Call Transfer Agreement, dated August 16, 2017, by and between Choice Hotels International, Inc. and Bluegreen Vacations Unlimited, Inc.

(38) "Choice Ascend Collection Membership Agreement" shall mean each strategic services agreement entered into by and between Choice Hotels International, Inc. and Bluegreen Vacations Unlimited, Inc., pursuant to which certain Bluegreen Properties are affiliated with Choice.

(39) "Choice Strategic Agreement" shall mean the Amended and Restated Strategic Alliance Agreement, dated August 16, 2017, by and among Choice Hotels International, Inc., Bluegreen Vacations Unlimited, Inc., and Bluegreen Resorts Management, Inc.

(40) "Choice Telemarking Agreement" shall mean the Second Amendment to Agreement, dated August 8, 2023, by and between Choice Hotels International, Inc. and Bluegreen Vacations Unlimited, Inc.

(41) "Choice Gross Revenues" shall mean any Bluegreen Converted Brand Gross Revenues that is sourced by or through lead or sources from Choice pursuant to certain strategic alliance agreements and arrangements between Choice and Bluegreen, which agreements and arrangements Licensee will assume in connection with the closing of the Bluegreen Merger.

(42) "Closing" has the meaning set forth in the Recitals.

(43) "Club Revenue" shall mean Licensee's revenue resulting from the collection of annual dues paid by members (mandatory and voluntary) of the Licensed Exchange Program.

(44) "Co-Located Licensor Lodging Property" has the meaning set forth in Section 5.6(a).

(45) "Confidential Information" shall mean all confidential, proprietary or non-public Information, content or materials in any form or media provided by or on behalf of a Party to the other Party hereunder, including any information relating to a Party or its Subsidiaries (or any other Person who has provided such Information to them under obligations of confidentiality) and/or their respective activities, businesses or operations, including financial, technical, customer, personnel and marketing Information. For clarity, Licensor's Confidential Information shall include the Standards and Agreements, Hilton Data, Licensed Software and Licensed System.

(46) "Contract Sales" shall mean the sum of (a) the gross sale price paid or to be paid to a third party in a fee for service transaction or arrangement for the initial sale or re- sale of interests held by third parties in Vacation Ownership Properties, and (b) gross sale price paid or to be paid for the initial sale or re-sale of interests held in Vacation Ownership Properties, regardless of whether any part thereof is financed. For the avoidance of doubt, the Contract Sales excludes maintenance fees, management fees, dues, exchange fees, enrollment fees, closing costs, transaction costs, including brokerage commissions and expenses, applicable Taxes paid by an owner of Vacation Ownership Business or its Affiliates or gross up for Taxes paid by purchasers, or interest or financing charges with respect to financed purchases.

(47) "Control" of a person shall mean having direct or indirect: (a) ownership of all or substantially all of the properties or assets of a person; (b) right to appoint a majority of the members of the board of directors of such person; and/or (c) beneficial ownership of more than 50% of the total voting power of the outstanding shares of stock or other equity interests of such person entitled to vote in the election of directors, or otherwise to participate in the direction of the management and policies, of such person (excluding shares or equity interests entitled so to vote or participate only upon the happening of some contingency). For the purposes of this definition, "person" and "beneficial owner" have the meanings used in Section 13(d) of the Securities Exchange Act of 1934, as amended.

(48) "CPI" shall mean the "Consumer Price Index" published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average, All Items (Not Seasonally Adjusted) (1982- 1984=100). If the Consumer Price Index is hereafter converted to a different standard reference base or otherwise revised, any determination hereunder that uses the Consumer Price Index shall be made with the use of such conversion factor, formula or table for converting the Consumer Price Index as may be published by the Bureau of Labor Statistics, or, if the bureau shall no longer publish the same, then with the use of such conversion factor, formula or table as may be published by any nationally recognized publisher of similar statistical information.

(49) "CPI Adjustment" has the meaning set forth in Section 18.3(b).

(50) "CPR" has the meaning set forth in Section 22.3.

(51) "Data Security Policies" shall mean any current or future posted or internal agreement, standard or policy of a Person relating to the integrity, operation, redundancy, disaster recovery, security testing, monitoring and remediation of Systems used in such Person's or its Affiliates' business (and the data therein).

(52) "Deflag" shall mean, with respect to (a) a Licensed Vacation Ownership Property, for such property to lose its license to use the Hilton Data, Loyalty Program and Licensed IP herein and (b) Licensor Lodging Property, for Licensor to cease Operating such property under a Hilton Mark.

(53) "Deflagged Property" has the meaning set forth in Section 18.1.

(54) "Deflagging Event" has the meaning set forth in Section 18.1.

(55) "Diamond" has the meaning set forth in the Recitals.

(56) "Diamond Business" the Vacation Ownership Business and related businesses as owned and/or operated by Diamond and its Subsidiaries at the time of the Diamond Merger.

(57) "Diamond Collections" shall mean the existing five trusts (i.e., US, Hawaii, Mexico, European and Embarc trusts, or "Collections") through which access to Diamond Properties are made available to Diamond owners through an Exchange Program.

(58) "Diamond Converted Brand" shall mean such new brand or brands developed, or to be developed, by Licensee after the Diamond Merger Closing in connection with the Integration of Diamond Business, including, without limitation, HGV Max.

(59) "Diamond Converted Brand Eligible HOA" shall mean HOAs operated in connection with Diamond Converted Brand Licensed Vacation Ownership Properties

(60) "Diamond Converted Brand Eligible HOA Expenses" shall mean Diamond Converted Brand Eligible HOA operating expenses, reserves and real estate taxes to the extent Licensee's compensation from the Diamond Converted Brand Eligible HOA is calculated upon such amounts collected from all owners other than Licensee.

(61) "Diamond Converted Brand Fee For Services Sales Price" shall mean any applicable Fee For Services Sales Price that is associated with Diamond Converted Brand Offering.

(62) "Diamond Converted Brand Gross Revenues" shall mean the sum of:

(a) the aggregate Diamond Converted Brand Gross Sales Price;

(b) Diamond Converted Brand Fee For Services Sales Price, if any or applicable;

(c) Diamond Converted Brand Leasehold Sales Price Amortization, if any or applicable;

(d) Diamond Converted Brand Property Operations Revenue;

(e) Diamond Converted Brand Offering Revenue;

(f) Diamond Converted Brand Marketing Package Revenue; and

(g) Diamond Converted Brand Transient Rental Revenue.

(63) "Diamond Converted Brand Gross Sales Price" shall mean the Gross Sale Price but only as applicable to Diamond Converted Brand Licensed Vacation Ownership Properties and sales of interests in Diamond Converted Brand Offering. Diamond Converted Brand Gross Sales Price shall not include the sale of any Diamond Property or other Diamond Business offering that does not utilize any Licensed IP, Hilton Data or Loyalty Program benefits.

(64) "Diamond Converted Brand Leasehold Sales Price Amortization" shall mean any applicable Leasehold Sales Price Amortization for Diamond Converted Brand Licensed Vacation Ownership Properties that is associated with Diamond Converted Brand Offering.

(65) "Diamond Converted Brand Licensed Vacation Ownership Business" shall mean (a) Licensee's business of operating an Exchange Program of a Diamond Converted Brand, Diamond Converted Brand Licensed Vacation Ownership Properties, and/or Diamond Converted Brand Offering for vacation or leisure purposes, (b) natural extensions of and ancillary products and services for such business of Licensee, including membership services, financing, establishing and operating sales facilities, managing rental programs associated with Diamond Converted Brand Licensed Vacation Ownership Properties, but excluding products and services of the type excluded from the Vacation Ownership Business definition, and (c) products and services that Licensor has approved pursuant to Section 9.10**.**

(66) "Diamond Converted Brand Licensed Vacation Ownership Property" shall mean any Diamond Property that has been converted into Licensed Vacation Ownership Property in accordance with Section 5.10, which property may be re-branded with a Diamond Converted Brand or may be branded with an Existing Licensed Mark.

(67) "Diamond Converted Brand Marketing Package Revenue" shall mean revenue from the sale of vacation packages for stays at Licensor Lodging Properties or Diamond Converted Brand Licensed Vacation Ownership Properties which relate to the marketing of Diamond Converted Brand Licensed Vacation Ownership Properties which includes the sale of trial memberships of Diamond Converted Brand Licensed Exchange Program known as exit, sampler or vacation introduction programs as well as forfeiture revenue related to the expiration of vacation packages and trial memberships.

(68) "Diamond Converted Brand Offering" shall mean one or more future package of benefits and services which may or may not constitute a separate Exchange Program to be developed by Licensee in accordance with Section 5.10 and operated by Licensee using New Licensed Marks, which offering will provide access across all or a portion of the Licensed Exchange Program and all or a portion of the Diamond Converted Brand Licensed Vacation Ownership Properties along with access to certain other agreed Licensor benefits.

(69) "Diamond Converted Brand Offering Revenue" shall mean Licensee's revenue resulting from the collection of upgrade fees or annual dues paid by members (mandatory and voluntary) related to a Diamond Converted Brand Offering.

(70) "Diamond Converted Brand Property Operations Revenue" shall mean Property Operations Revenue related to Diamond Converted Brand Licensed Vacation Ownership Properties.

(71) "Diamond Converted Brand Transient Rental Revenue" shall mean Transient Rental Revenue related to Diamond Converted Brand Licensed Vacation Ownership Properties.

(72) "Diamond Integration Period" shall mean the time period beginning on September 1, 2021 and ending on the fifth anniversary of such date.

(73) "Diamond Merger" has the meaning set forth in the Recital.

(74) "Diamond Property" means each Vacation Ownership Property acquired by Licensee in connection with the Diamond Merger.

(75) "Disclosing Party" has the meaning set forth in Section 14.1(a).

(76) "Disputes" has the meaning set forth in Section 22.2.

(77) "Distribution Agreement" has the meaning set forth in the Recitals to this Agreement.

(78) "Effective Date" has the meaning set forth in the opening paragraph of this Agreement.

(79) "Eligible HOA Expenses" shall mean Eligible HOA operating expenses, reserves and real estate taxes to the extent Licensee's compensation from the Eligible HOA is calculated upon such amounts collected from all owners other than Licensee.

(80) "Eligible HOAs" shall mean HOAs operated in connection with Licensed Vacation Ownership Properties (a) subsequent to the Effective Date of this Agreement and (b) along with the following Licensed Vacation Ownership Properties operated as of the Effective Date: HLTV Vacation Suites, LV Tower 52 Vacation Suites, AOC Vacation Suites, Ocean 22 Vacation Suites, Sunrise Lodge, Las Palmeras, GI Vacation Suites, Ocean Oak Vacation Suites, TD Suites, HC Suites and BW Vacation Suites. Future phases of existing resorts where new phases will be combined with existing phases for HOA assessment purposes, such as RL Vacation Suites, WBKL Vacation Suites and Las Vegas Boulevard Vacation Suites, shall be excluded from this definition, however, if such new phases are not under the existing HOA, they shall be counted when assessing Royalty.

(81) "Exchange Program" shall mean any program or arrangement for the voluntary exchange of the right to use and occupy an accommodation unit for the right to use or occupy another accommodation unit.

(82) "Fee For Services Sales Price" shall mean the gross sale price paid or to be paid to a third party in a fee for service transaction or arrangement for the initial sale or re-sale of interests held by third- parties in Licensed Vacation Ownership Properties (excluding HGVClub at Craigendarroch Suites and HGVClub at MarBrisa). For the avoidance of doubt, the Fee For Services Sales Price excludes maintenance fees, management fees, dues, exchange fees, enrollment fees, closing costs, transaction costs, including brokerage commissions and expenses, applicable Taxes paid by Licensee or its Affiliates or gross up for Taxes paid by purchasers, or interest or financing charges with respect to financed purchases. To the extent that interests in Licensed Vacation Ownership Properties are used as consideration, in whole or in part, for the purchase of interests in other Licensed Vacation Ownership Properties (i.e., upgrades), then the Fee For Services Sales Price shall be the difference between the gross sales price paid by the owner for the prior interest in the Licensed Vacation Ownership Property and the gross sales price paid by the owner for the newly acquired interest in the Licensed Vacation Ownership Property.

(83) "Force Majeure" shall mean, with respect to a Party, an event beyond the commercially reasonable control of such Party (or any Person acting on its behalf), which by its nature could not have been foreseen by such Party (or such Person), or, if it could have been foreseen, was unavoidable, and includes acts of God, storms, floods, riots, labor unrest, pandemics, nuclear incidents, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources or distribution facilities.

(84) "Fractional Vacation Club Business" shall mean: (a) business of Operating properties for vacation or leisure purposes in which Persons acquire an shared ownership interest in or right to use (including through interests in a land trust or similar real estate vehicle, Destination Club, and/or in the form of points, deeded weeks or other currency) one or more specified overnight accommodations and associated facilities, in each case, on a recurring, minimum periodic basis greater than twenty-seven (27) days per calendar year, and pay for such interest or right in advance (whether payments lump-sum or periodically over time; and (b) natural ancillary products or services for such business.

(85) "GBCS Services" shall mean a series of commercial services centrally delivered by Licensor including, but not limited to, group lead generation, business travel sales RFP management, sales operational support, EDGE program management and online demand generation and optimization, and third party distribution.

(86) "Governmental Entity" shall mean any: (a) nation or government, any state, municipality or other political subdivision thereof; (b) entity, body, agency, commission, department, board, bureau or court, whether U.S., state, municipal, foreign or multinational, exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any official thereof; and (c) stock exchange or industry self-regulatory organization.

(87) "Grandfathered Bluegreen Owners Revenues" shall mean any revenues from sales or resales to existing owners of the Bluegreen Club as of the Bluegreen Closing Date that occurs at a Bluegreen Sales Facility (not including any Bluegreen Rebranded Sales Facility).

(88) "Gross Revenues" shall mean the sum of:

(a) the aggregate Gross Sales Price;

(b) the Fee For Services Sales Price;

(c) Leasehold Sales Price Amortization;

(d) Property Operations Revenue;

(e) Club Revenue;

(f) Marketing Package Revenue;

(g) Transient Rental Revenue; and

(h) Eligible HOA Expenses.

For the avoidance of any doubt, Gross Revenues shall not include any Diamond Converted Brand Gross Revenues or Bluegreen Converted Brand Gross Revenues.

(89) "Gross Sales Price" shall mean the gross sale price paid or to be paid to Licensee or its Affiliates for the initial sale or re-sale of interests, other than those sold with a reversionary leasehold interest, held by Licensee or its Affiliates in Licensed Vacation Ownership Properties (excluding HGVClub at Craigendarroch Suites and HGVClub at MarBrisa), regardless of whether any part thereof is financed by Licensee or any third-party. For the avoidance of doubt, the Gross Sales Price excludes bad debt expense, maintenance fees, management fees, dues, exchange fees, enrollment fees, closing costs, transaction costs, including brokerage commissions and expenses and incentives granted to a purchaser at the time of purchase, applicable Taxes paid by Licensee or its Affiliates or gross up for Taxes paid by purchasers, or interest or financing charges with respect to financed purchases. To the extent that interests in Licensed Vacation Ownership Properties are used as consideration, in whole or in part, for the purchase of interests in other Licensed Vacation Ownership Properties (i.e. upgrades), then the Gross Sales Price shall be the difference between the original gross sales price paid for the first Licensed Vacation Ownership Property and gross sales price of the newly acquired Licensed Vacation Ownership Property.

(90) "HGV Max" shall mean a new package of products, benefits and services offered by Licensee using New Licensed Marks (which may be called HGV Max or similar named agreed to by the parties), which membership offering will provide access across all or a portion of the Licensed Exchange Program, all or a portion of the Diamond Converted Brand Licensed Vacation Ownership Properties and the Bluegreen Converted Brand Licensed Vacation Ownership Properties, and all or a portion of Diamond Properties and Bluegreen Properties that are not Diamond Converted Properties or Bluegreen Converted Properties, along with access to certain other agreed benefits.

(91) "Hilton Competitor" shall mean any Person who (a) Operates a Lodging Business and/or (b) competes with Licensor or its Subsidiaries in any other business other than exclusively in the Vacation Ownership Business at any time during the Term, and the Affiliates of any such Person.

(92) "Hilton Data" shall mean the Loyalty Program Data and all guest, customer or member profiles, contact information (including addresses, phone numbers and email addresses), histories, preferences and other related information obtained or derived from guests, customers or members in connection with any Lodging Business of Licensor or its Subsidiaries.

(93) "Hilton Information Technology System Agreement" shall mean that certain Hilton Information Technology System Agreement which the Parties have entered into concurrent with this Agreement.

(94) "Hilton Marks" shall mean all Trademarks owned or controlled by Licensor or its Affiliates, including the Licensed Marks.

(95) "HOA" shall mean an association of owners with ownership interests in a Vacation Ownership Property (i.e., the single governing association, not the individual homeowners within the HOA).

(96) "Honors LLC" has the meaning set forth in Section 7.5.

(97) "Information" shall mean information and data in any form or media, including written, oral, electronic, computerized or digital.

(98) "Initial Noncompetition Term" has the meaning set forth in Section 2.2(a).

(99) "Intellectual Property" shall mean all worldwide intellectual property, proprietary and industrial property rights, including all (a) patents, patent applications, inventions and invention disclosures and utility models, (b) trademarks, service marks, corporate, trade, d/b/a or similar names, logos, slogans, designs, trade dress, domain names, social and mobile media identifiers and other designations of source or origin, together with the goodwill symbolized by any of the foregoing (collectively, "Trademarks"), (c) copyrights, (d) trade secrets, know-how, processes and methods, and (e) all registrations, applications, continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, renewals, extensions and foreign counterparts thereof.

(100) "Laws" shall mean all laws, statutes, ordinances, orders, rules, directives, judgments and decrees (by consent or otherwise), regulations, codes, permits, licenses, certificates, authorizations, directions and requirements of, issued by or executed with any Governmental Entity.

(101) "Leasehold Sales Price Amortization" shall mean the recognition of the sales price of a Licensed Vacation Ownership Property sold subject to a reversionary leasehold interest. For avoidance of doubt, Leasehold Sales Price Amortization will be calculated by multiplying the sales price of the Licensed Vacation Ownership Property by a fraction, the numerator of which is the time period over which the license is being recognized and the denominator is the leasehold period.

(102) "Licensed Content" shall mean all consumer-facing advertising and promotional materials in any form or media that are owned by Licensor or its Subsidiaries and displayed in print, digital, electronic or computerized form and are provided to Licensee in Licensor's discretion during the Term for use in connection with the Licensed Vacation Ownership Business, but excluding all software, information technology infrastructure and other non-consumer-facing assets and items.

(103) "Licensed Exchange Program" shall mean an exchange program operated by Licensee that uses the Licensed Marks. For example, as of the date of this Agreement, Licensee operates the following Licensed Exchange Programs: Hilton Grand Vacations Club Exchange Program and Hilton Club Exchange Program. Any combined exchange program formed by Licensee that uses the Licensed Marks and includes the Diamond Properties shall be considered a Licensed Exchange Program (except for the purposes of calculating the Royalty and Diamond Converted Brand Royalty pursuant to Article III).

(104) "Licensed HOA" shall mean the HOA in the Licensed Vacation Ownership Business that has hired Licensee to manage its Licensed Vacation Ownership Property.

(105) "Licensed IP" shall mean the Licensed Marks, the Licensed Content, the Licensed System and the Licensed Software.

(106) "Licensed Marks" shall mean the trademarks "Hilton Grand Vacations," "HGV," "Hilton Club," "Hilton Vacations Club," and "HGV Max" in their entirety, and not any variations thereof, including the term "Hilton" standing alone or used with any other words, terms, designs or other elements, including those registered trademarks set forth on Exhibit C of the Original Agreement.

(107) "Licensed Software" shall mean the business software and hardware system, currently known as OnQ, which Licensor may periodically change in its sole discretion (including changes to the way in which OnQ data is delivered to users and their properties), that is currently comprised of software that includes a proprietary property management component, reservations component, revenue management component, rate & inventory component, learning management component and other components Licensor considers necessary to support the following activities: reservations, sales, distribution, customer relationship management, operations, and business intelligence gathering and analysis.

(108) "Licensed System" shall mean Licensor's then-current reservation system pursuant to which Licensor offers inventory of vacant rooms to the public.

(109) "Licensed Vacation Ownership Business" shall mean (a) Licensee's business of Operating the Licensed Exchange Program and Licensed Vacation Ownership Properties (or interests therein) for vacation or leisure purposes, (b) natural extensions of and ancillary products and services for such business of Licensee, including membership services, financing, establishing and operating sales facilities, managing rental programs associated with Licensed Vacation Ownership Properties, but excluding products on Exhibit D of the Original Agreement or products and services of the type excluded from the Vacation Ownership Business definition, (c) products and services that Licensor has approved pursuant to Section 9.4, and (d) the products and services of Licensee set forth on Exhibit E of the Original Agreement. Such term shall also include Diamond Converted Brand Licensed Vacation Ownership Business and Bluegreen Converted Brand Licensed Vacation Ownership Business, as appropriate.

(110) "Licensed Vacation Ownership Property" shall mean the existing Licensed Vacation Ownership Properties and Vacation Ownership Properties under development listed in Exhibit F of the Original Agreement and additional Vacation Ownership Properties approved by Licensor pursuant to Section 9.1, and for clarity, excluding any Separate Operations and any Non-Licensed Existing Projects. Where the Licensed Vacation Ownership Property is limited to Licensed Vacation Ownership Property units being offered within a larger, mixed-use facility, and Licensee or its Affiliates do not control the other improvements, structures, facilities, entry and exit rights, parking, pools, landscaping, and other appurtenances located at such facility, then the Licensed Vacation Ownership Property shall refer to such Licensed Vacation Ownership Property units and not to which Licensee or its Affiliates do not control. Such term shall also include Diamond Converted Brand Licensed Vacation Ownership Property and Bluegreen Converted Brand Licensed Vacation Ownership Property, as appropriate.

(111) "Licensee" has the meaning set forth in the opening paragraph of this Agreement.

(112) "Licensee Data" shall mean all guest, customer or member profiles, contact information (including addresses, phone numbers and email addresses), histories, preferences and other related information obtained or derived by Licensee or its Subsidiaries from guests, customers or members in connection with (a) owners of Licensed Vacation Ownership Properties in their capacity as owners of such Licensed Vacation Ownership Properties; and (b) owners or other guests, members or customers of the Licensed Vacation Ownership Business to the extent collected by Licensee or its Subsidiaries in connection with the marketing and sale of Licensed Vacation Ownership Properties. "Licensee Data" shall not include any (x) Loyalty Program Data or (y) data collected from owners, members or other guests or customers in connection with a transient stay or event at Licensed Vacation Ownership Properties, except as covered by subsection (ii) above.

(113) "Licensee Parties" has the meaning set forth in Section 5.9(a).

(114) "Licensee Systems" shall mean, collectively, all Systems used in the Licensed Vacation Ownership Business, whether owned by Licensee or any other Person.

(115) "Licensor" has the meaning set forth in the opening paragraph of this Agreement.

(116) "Licensor Brand Identity Guidelines" shall mean Licensor's general guidelines for its licensees' use of the Licensed Marks, as may be modified by Licensor and provided to Licensee throughout the Term.

(117) "Licensor Lodging Properties" shall mean those hotels, resorts and other lodging properties that are Operated by Licensor or its Affiliates, including those bearing the Waldorf Astoria Hotels & Resorts, LXR Hotels & Resorts, Conrad Hotels & Resorts, Canopy by Hilton, Signia by Hilton, Hilton Hotels & Resorts, Curio—A Collection by Hilton, DoubleTree by Hilton, Tapestry – A Collection by Hilton, Embassy Suites Hotels, Tempo by Hilton, Hilton Garden Inn, Hampton by Hilton, Tru by Hilton, Homewood Suites by Hilton, Home2 Suites by Hilton and Hilton brand names.

(118) "Lodging Business" shall mean the (a) business of Operating hotels, resorts or other transient or extended stay lodging, fractional residential sales, whole ownership or branded residential sales, destination clubs, travel clubs, travel agencies (including online travel agencies), serviced apartments, condo hotels, home sharing and similar facilities and (b) all related ancillary services, including travel agent services and loyalty programs (in any current or future media).

(119) "Losses" has the meaning set forth in Section 16.1(a).

(120) "Loyalty Program" shall mean the guest frequency or reward program predominantly used by Licensor Branded Lodging Properties at any time during the Term, which such program is currently titled the Hilton HHonors® program.

(121) "Loyalty Program Data" shall mean all member profiles, contact information (including addresses, phone numbers and email addresses), histories, preferences and other related information obtained or derived from members of the Loyalty Program.

(122) "Loyalty Program Points" shall mean any point credits earned by Loyalty Program members that are redeemable for various rewards in the Loyalty Program.

(123) "Major Brand" shall mean those names or brands developed by Licensee either of the Diamond Merger and the Bluegreen Merger that are associated with the Licensed Vacation Ownership Business or otherwise advertised or marketed with any Hilton Marks and which comprise a significant or material portion of Licensee's business, including, but not limited to, any name or brand developed for the New Brand Offering or any new Exchange Program. Major Brand shall not include names or brands used to identify ancillary services, specific resorts (unless Hilton Marks are used) or benefits offered from time to time, such as ClubPartner Perks or Elite Privileges, nor shall Major Brand include any name, brand or Intellectual Property acquired by Licensee through the Diamond Merger and/or the Bluegreen Merger (unless used as part of the Licensed Vacation Ownership Business); provided, however, that Licensor shall not be prohibited from using such names or brands in the Lodging Business other marks that are registered trademarks.

(124) "Marketing Agreements" has the meaning set forth in Section 9.6(a).

(125) "Marketing Content" has the meaning set forth in Section 9.5(a).

(126) "Marketing Package Revenue" shall mean revenue from the sale of vacation packages for stays at Licensor Lodging Properties or Licensed Vacation Ownership Properties which relate to the marketing of Licensed Vacation Ownership Properties which includes the sale of trial memberships of the Licensed Exchange Program known as exit, sampler or vacation introduction programs as well as forfeiture revenue related to the expiration of vacation packages and trial memberships.

(127) "Marketing Services Agreement" has the meaning set forth in Section 11.1.

(128) "Measuring Year" has the meaning set forth in Section 2.2(b).

(129) "Member Service Center" shall mean a facility at which Licensee provides owners of Vacation Ownership Properties with off-site services with respect to their use and enjoyment of such ownership interests.

(130) "New Brand Offering" shall mean, collectively, the Diamond Converted Brand Offering and the Bluegreen Converted Brand Offering.

(131) "New Brand Properties" or "New Brand Property" shall mean, collectively, the Diamond Properties and the Bluegreen Properties or, individually, either a Diamond Property or Bluegreen Property.

(132) "New Brand Licensed Vacation Ownership Properties" shall mean, collectively, the Diamond Converted Brand Licensed Vacation Ownership Properties and the Bluegreen Converted Brand Licensed Vacation Ownership Properties.

(133) "New Licensed Marks" shall mean such new trademarks to be developed and agreed upon by the Parties in accordance with Section 5.10 in connection with the Diamond Converted Brand Offering, the Bluegreen Converted Brand Offering, or otherwise.

(134) "New Property" has the meaning set forth in Section 5.2(b).

(135) "Noncompetition Term" shall have the meaning set forth in Section 2.2(b).

(136) "Non-Licensed Existing Projects" shall mean the projects that do not use the Licensed Marks and existed prior to the Effective Date listed on Exhibit G of the Original Agreement. Non-Licensed Existing Projects shall also mean those properties acquired by Licensee pursuant to the Diamond Merger or pursuant to the Bluegreen Merger that, in each case, do not use the Licensed Marks due to the inability of such properties to meet the approval requirements established by Licensor without significant financial investment.

(137) "Original Agreement" means that certain HGV License Agreement, dated as of January 2, 2017, including all Exhibits and Schedules, as each may be amended by the Parties from time to time.

(138) "Operate" shall mean, with respect to a business or property, (a) owning, financing, developing, redeveloping, managing, marketing, operating, licensing, leasing or franchising vacation properties; and/or (b) acquiring or selling ownership of or the right to use individual units within properties included in such business.

(139) "Operating Guidelines" shall mean Licensor's general guidelines set forth on Exhibit B of the Original Agreement for operation of Vacation Ownership Properties under the Licensed Marks, as may be modified by Licensor throughout the Term.

(140) "Parties" has the meaning set forth in the opening paragraph of this Agreement.

(141) "Party" has the meaning set forth in the opening paragraph of this Agreement.

(142) "Party Agreements" has the meaning set forth in the definition of Standards and Agreements.

(143) "Percentage of Completion" shall mean a fraction of which the numerator is the total project construction costs incurred for a Licensed Vacation Ownership Property under construction at the end of a reporting period and the denominator is the total expected project construction costs for such Licensed Vacation Ownership Property.

(144) "Person" shall mean any natural person, firm, individual, corporation, business trust, joint venture, association, company, limited liability company, partnership or other organization or entity, whether incorporated or unincorporated, or any Governmental Entity.

(145) "PHRI" shall mean Park Hotels & Resorts, Inc.

(146) "Privacy Policy" shall mean any current or future posted or internal agreement, standard or policy of a Person relating to privacy, personal, regulated or confidential information or personally identifiable information.

(147) "Program Fee" shall mean the fee paid by Licensor's branded hotels to Licensor or its designee for various programs benefitting Licensor's branded hotel system, including; (a) advertising, promotion, publicity, public relations, market research, and other marketing programs; (b) developing and maintaining directories and Internet sites for properties; (c) developing and maintaining the reservation

service systems and support; (d) quality assurance programs; and (e) administrative costs and overhead related to the administration or direction of these projects and programs.

(148) "Property Operations Revenue" shall mean Licensee's or its Affiliates' gross revenue resulting from the operation of spas and wellness centers; retail; food and beverage; and other on-property operations, in conjunction with a Licensed Vacation Ownership Property. Property Operations Revenue shall not include any onsite revenue related to the Anderson Ocean Club with respect to managing the Anderson Ocean Club HOA (this property is a joint timeshare and whole ownership project that includes multiple associations and the revenues represent reimbursements from the various associations).

(149) "Purchase Contract" has the meaning in Section 3.1(b)(i).

(150) "Reasonable Best Efforts" shall mean: (a) commercially reasonable efforts; plus, if necessary, (b) any additional actions that do not (i) incur material out-of-pocket costs, (ii) require material additional employee resources, and/or (iii) materially interfere with the conduct of the performing party's applicable business.

(151) "Receiving Party" has the meaning set forth in Section 14.1(a).

(152) "Recipients" has the meaning set forth in Section 14.1(a).

(153) "Related Parties" has the meaning set forth in Section 16.1(a).

(154) "Renewal Noncompetition Term" has the meaning set forth in Section 2.2(b).

(155) "Royalty" has the meaning set forth in Section 3.1(a)(i).

(156) "Sales Facilities" shall mean galleries, desks and other physical facilities from which interests in units of Vacation Ownership Properties are offered and sold to the public.

(157) "Security Breach" has the meaning set forth in Section 14.2(d).

(158) "Separate Operations" shall mean a project or business that satisfies all of the following conditions: (a) it is operated completely separately from the Licensed Vacation Ownership Business with respect to physical locations of Licensed Vacation Ownership Properties and is not directly exchangeable or interchangeable with Licensed Vacation Ownership Properties (including through Exchange Programs owned or operated by Licensee or its Affiliates); (b) it is sold through separate and distinct sales locations and personnel (other than common regional-level management personnel) from the Licensed Vacation Ownership Business and uses separate Member Service Centers and Sales Facilities; (C) it is operated and marketed without use of (or access to) the Loyalty Program, any Licensed IP or Hilton Data (or any key word, ad word, metatag or similar device designed to attract viewers or users in online, social, mobile or other media that uses a Licensed Mark) or other Confidential Information of Licensor; (d) it is not a Subsidiary of, or operated directly or indirectly by a Person that uses the Licensed Marks as a corporate, trade or d/b/a name; and (e) it is advertised, marketed and otherwise presented to the public as being operated completely separately from the Licensed Vacation Ownership Business.

(159) "Shortfall Payment" has the meaning set forth in Section 2.2(c).

(160) "Standards" has the meaning set forth in the definition of "Standards and Agreements."

(161) "Standards and Agreements" shall mean all: (a) standards, rules, guidelines, manuals and policies that are provided to the Licensee, including Brand Standards, Licensor Brand Identity Guidelines, Licensor's Privacy Polices, Data Security Policies and Operating Guidelines (the "Standards"); and (b) agreements executed by the Parties as of the Effective Date (other than the Agreement) or at any time during the Term, in each case, with respect to the Licensed IP or Hilton Data and/or any aspect of Licensee's activities, the Licensed Vacation Ownership Business and the Marketing Services Agreement (the "Party Agreements").

(162) "Subsidiary" shall mean, when used with respect to any Person, another Person that is directly or indirectly Controlled by such Person.

(163) "Systems" shall mean software, systems, networks, computers, hardware and other information technology assets.

(164) "Tail Period" has the meaning set forth in Section 4.2.

(165) "Taxes" has the meaning set forth in Section 3.8.

(166) "Term" has the meaning set forth in Section 4.1.

(167) "Territory" for each Licensed Mark shall mean all countries and jurisdictions worldwide in which (a) Licensor has a valid registration for such Licensed Mark as of the Effective Date or (b) Licensor has approved Licensee's use of the Licensed Mark in writing pursuant to Section 5.2.

(168) "Trademarks" has the meaning set forth within the definition of "Intellectual Property."

(169) "Transient Rental Revenue" shall mean all revenues generated from the transient rental of inventory of Licensed Vacation Ownership Properties and conversion properties (but not Marketing Package Revenue): (a) that is held for development and sale and owned by a Licensee Party; (b) that is Controlled by Licensee or its Affiliates as a result of Vacation Ownership Property Owner's participation in programmatic elements of Licensed Vacation Ownership Business (e.g., exchange, banking, borrowing, Brand Loyalty Program trade, and similar programs); and (c) that is Controlled by Licensee, its Affiliates or an HOA as a result of Vacation Ownership Property Owner default (e.g., maintenance fee defaults or financing defaults) pending foreclosure or cure in the ordinary course of business. Transient Rental Revenue shall also include bonus point, guest resort charge, open season rental, access fees and no show revenue for stays at Licensed Vacation Ownership Properties.

(170) "Undeveloped Parcels" has the meaning set forth in Section 5.3(a).

(171) "Vacation Ownership Business" shall mean: (a) the business of Operating Vacation Ownership Properties (or interests therein) for vacation or leisure purposes; (b) natural ancillary products and services for such business of Licensee, including membership services, Exchange Programs, financing, establishing and operating sales facilities, managing rental programs associated with Vacation Ownership Properties, but excluding destination clubs, travel clubs, travel agencies (including online travel agencies), serviced apartments, condo hotels, home sharing and similar facilities; (c) products and services that Licensor has approved Licensee to offer pursuant to Section 9.4; and (d) any business ancillary amenities to Vacation Ownership Properties, such as country clubs, spas, golf courses, food and beverage outlets, gift and sundry shops, only if they are physically located on a Vacation Ownership Property (and excluding any of same, if they are not physically located on such property). Vacation Ownership Business excludes the Fractional Vacation Club Business, Whole Ownership Business, and any products and services of the type set forth on Exhibit H of the Original Agreement.

(172)

(173) "Vacation Ownership Property" shall mean: (a) a property in which Persons acquire an ownership interest in or right to use (including through interests in a land trust or similar real estate vehicle and/or in the form of points, deeded weeks or other currency) one or more specified overnight accommodations and associated facilities on a recurring, periodic basis, in all cases for less than 28 days per calendar year, and pay for such interest or right in advance (whether payments lump-sum or periodically over time); (b) all improvements, structures, facilities, entry and exit rights, parking, pools, landscaping and other appurtenances (including the property building) located at the site of the property; and (c) all furniture, fixtures, equipment, supplies and inventories installed or located in such improvements at the site of the property.

(174) "Whole Ownership Business" shall mean the business of developing or operating a project that includes whole residential units, including single family homes, condominium units, or other housing units which are owned on a whole (not fractional) ownership basis.

References; Interpretation.

References in this Agreement to the singular include references to the plural and vice versa. The word “including” shall be deemed to be followed by the phrase “without limitation”. All references to “$” or “dollar” herein shall be references to U.S. dollars. Unless the context otherwise requires, the words “hereof”, ”hereby“ and ”herein“ and words of similar meaning when used in this Agreement refer to this Agreement in its entirety.

The Parties acknowledge that given the long length of the Term, evolutions in technology and industry practices will occur. Therefore, the definitions herein shall be interpreted broadly to include new media and distribution channels or new industry products and services that are equivalent or analogous to those existing on the Effective Date, so as to give each Party the full benefit of its bargain herein over the Term. By way of example, the terms telephone, domain names, metatags and credit cards shall be interpreted to include their successor versions and replacements during the Term.

SCHEDULE 5.10(a)

Diamond Rebrand Plan

Baseline: The "Baseline Fee Schedule"

	For Year Ending December 31,				
	2022*	**2023***	**2024***	**2025***	**2026 and after**
Annual Rooms Converted	3,788	2,387	2,399	1,496	782
Cumulative Rooms Converted	3,788	6,175	8,574	10,070	10,852
% of Total Rooms	30%	49%	69%	81%	87%
Diamond Converted Brand Royalty (per 3.2(a) of this Agreement)*					
From January 1 to August 31	**2.00%**	**2.00%**	**3.00%**	**4.00%**	**5.00%**
September 1 to December 31	**2.00%**	**3.00%**	**4.00%**	**5.00%**	**5.00%**

** Per this Agreement, each license fee Year and the applicable fee for the Year runs from September 1 to August 31 of each calendar year, commencing on September 1, 2021 through August 31, 2022, as Year, as follows:*

Year 1: September 1, 2021 to August 31, 2022: 2.00%
Year 2: September 1, 2022 to August 31, 2023: 2.00%
Year 3: September 1, 2023 to August 31, 2024: 3.00%
Year 4: September 1, 2024 to August 31, 2025: 4.00%
Year 5: September 1, 2025 to August 31, 2026: 5.00%
After End of Year 5 (After August 31, 2026): 5.00%

This table shows the applicable license fee based on the calendar year and reflect any applicable step-up in the fee as of September 1.

Adjusted Fee Threshold 1: Adjusted Brand Royalty for Cumulative Rooms Converted

The parties' intent is to increase the applicable Brand Royalty rate by 50 basis points after the applicable Measurement Date after failing to meet the applicable Cumulative Rooms Converted threshold), as follows ("Threshold 1 Fee Schedule"):

	If Cumulative Rooms Converted, by Dec. 31, 2022 are:	If Cumulative Rooms Converted, by Dec. 31, 2023 are:	If Cumulative Rooms Converted, by Dec. 31, 2024 are:	If Cumulative Rooms Converted, by Dec. 31, 2025 are:	If Cumulative Rooms Converted, by Dec. 31, 2026 are:
Less than	3,030	5,558	8,145	9,567	10,309
But at least	2,652	4,940	6,859	8,056	8,682

Then Adjusted Diamond Converted Brand Royalty will be:

	From Jan. 1, 2023 to Aug. 31, 2023	Jan. 1, 2024 to August 31, 2024	From Jan. 1, 2025 to Aug. 31, 2025	From Jan. 1, 2026 to Aug. 31, 2026	From Jan. 1, 2027 to Aug. 31, 2027
	2.50%	**3.50%**	**4.50%**	**5.50%**	**5.50%**
	Sept. 1, 2023 to Dec. 31, 2023	Sept. 1, 2024 to Dec. 31, 2024	Sept. 1, 2025 to Dec. 31, 2025	Sept. 1, 2026 to Dec. 31, 2026	Sept. 1, 2027 to Dec. 31, 2027*
	3.50%	**4.50%**	**5.50%**	**5.50%**	**5.50%**

** Once the cumulative rooms converted meet 10,309 test after December 31, 2027, the Diamond Converted Brand Royalty* will *revert back to 5.00%.*

Adjusted Fee Threshold 2: Adjusted Brand Royalty for Cumulative Rooms Converted

The parties' intent is to increase the applicable Brand Royalty rate by 100 basis points after the applicable Measurement Date after failing to meet the applicable Cumulative Rooms Converted threshold), as follows ("Threshold 2 Fee Schedule"):

	If Cumulative Rooms Converted, measured at Dec. 31, 2022 are less than:	If Cumulative Rooms Converted, by Dec. 31, 2023 are less than:	If Cumulative Rooms Converted, by Dec. 31, 2024 are less than:	If Cumulative Rooms Converted, by Dec. 31, 2025 are less than:	If Cumulative Rooms Converted, by Dec. 31, 2026 are less than:
	2,652	4,940	6,859	8,056	8,682
	Then Adjusted Diamond Converted Brand Royalty will be:				
	From Jan. 1, 2023 to Aug. 31, 2023	Jan. 1, 2024 to August 31, 2024	From Jan. 1, 2025 to Aug. 31, 2025	From Jan. 1, 2026 to Aug. 31, 2026	From Jan. 1, 2027 to Aug. 31, 2027
	3.00%	**4.00%**	**5.00%**	**6.00%**	**6.00%**
	Sept. 1, 2023 to Dec. 31 2023	Sept. 1, 2024 to Dec. 31, 2024	Sept. 1, 2025 to Dec. 31, 2025	Sept. 1, 2026 to Dec. 31, 2026	Sept. 1, 2027 to Dec. 31, 2027**
	4.00%	**5.00%**	**6.00%**	**6.00%**	**6.00%**

** *Once the* cumulative *rooms converted meet 10,309 test after December 31, 2027, the Diamond Converted Brand Royalty will revert back to 5.00%.*

EXAMPLES:

Example A

If, on December 31, 2022, at least 3,030 rooms have been rebranded, there is no change to the Diamond Converted Brand Royalty on January 1, 2023 and it will remain at 2.00% until September 1, 2023, when it changes to 3% in accordance with the Baseline Fee Schedule.

Example B

If, on December 31, 2022, less than 3,030 rooms but at least 2,652 rooms are rebranded, then starting on January 1, 2023, the Adjusted Diamond Converted Brand Royalty shall increase to 2.50% (instead of 2.00%) in accordance with Threshold 1 Schedule. Accordingly, in such case, on September 1, 2023, the Adjusted Diamond Converted Brand Royalty shall increase to 3.50% (instead of the normal increase to 3.00%) in accordance with Threshold 1 Schedule.

Example C

If on December 31, 2022, less than 2,652 rooms have been rebranded, then starting on January 1, 2023, the Adjusted Diamond Converted Brand Royalty shall increase to 3.00% (instead of 2.0%) in accordance with Threshold 2 Schedule. Accordingly, in such case, on September 1, 2023, the Adjusted Diamond Converted Brand Royalty fee shall increase to 4.00% (instead of the normal increase to 3.00%) in accordance with Threshold 2 Schedule.

Example D

If, after failing Threshold 1 at December 31, 2022, the Adjusted Diamond Converted Brand Royalty increases to 2.50% starting on January 1, 2023 (which increases to 3.50% on September 1, 2023) per *Example B*, **and** on December 31, 2023:

(i) at least 5,558 rooms have been rebranded, then starting on January 1, 2024, the Diamond Converted Brand Royalty reverts to 3.00% (as set forth in the Baseline Fee Schedule) and continues to follow the Baseline Fee Schedule;

(ii) less than 5,558 rooms but at least 4,940 rooms are rebranded, then starting on January 1, 2024, the Adjusted Diamond Converted Brand Royalty will continue to be 3.50% and on September 1, 2024, the Adjusted Diamond Converted Brand Royalty will increase to 4.50%, in each case in accordance with Threshold 1 Fee Schedule; and

(iii) less than 4,940 rooms are rebranded, then starting on January 1, 2024, the Adjusted Diamond Converted Brand Royalty will increase to 4.00% and on September 1, 2024, the Adjusted Diamond Converted Brand Royalty will increase to 5.00%, in each case accordance with Threshold 2 Fee Schedule.

Example E

If, after failing Threshold 2 at December 31, 2022, the Adjusted Diamond Converted Brand Royalty increases to 3.00% starting on January 1, 2023 (which increases to 4.00% on September 1, 2023) per *Example C*, **and** on December 31, 2023:

(i) at least 5,558 rooms have been rebranded, then starting on January 1, 2024, the Diamond Converted Brand Royalty reverts to 3.00% (as set forth in the Baseline Fee Schedule) and continues to follow the Baseline Fee Schedule;

(ii) less than 5,558 rooms but at least 4,940 rooms are rebranded, then starting on January 1, 2024, the Adjusted Diamond Converted Brand Royalty will decrease to 3.50% and on September 1, 2024, the Adjusted Diamond Converted Brand Royalty will increase to 4.50%, in each case in accordance with Threshold 1 Fee Schedule; and

(iii) less than 4,940 rooms are rebranded, then starting on January 1, 2024, the Adjusted Diamond Converted Brand Royalty will continue to be 4.00% and on September 1, 2024, the Adjusted Diamond Converted Brand Royalty will increase to 5.00%, in each case accordance with Threshold 2 Fee Schedule.

SCHEDULE 5.10(b)

Bluegreen Rebrand Plan

HGV Bluegreen Property Conversion Schedule

	For The Year Ending December 31,		
	2025	**2026**	**2027**
Annual Rooms Converted	1,464	3,047	1,812
Cumulative Rooms Converted	1,464	4,511	6,323

Baseline: Per A&R Agreement and Rebrand Plan (the Baseline Fee Schedule)

	From Jan. 1, 2024 to December 31, 2024	From Jan. 1, 2025 to December 31, 2025	From Jan. 1, 2026 to December 31, 2026	From Jan. 1, 2027 thereafter
Bluegreen Converted Brand Royalty	3.00%	3.00%	4.00%	5.00%

Adjusted Fee Threshold 1: Adjusted Brand Royalty for Cumulative Rooms Converted Shortfall

The Parties' intent is to increase the applicable Brand Royalty by 50 basis points after the applicable Measurement Date per below for the Bluegreen Plan ("Bluegreen Measurement Date") if such measurement results in failure to meet the applicable Cumulative Rooms Converted threshold, as follows (Bluegreen Threshold 1 Fee Schedule):

	If Cumulative Rooms Converted, by Dec. 31, 2025 are:	If Cumulative Rooms Converted, by Dec. 31, 2026 are:	If Cumulative Rooms Converted, by Dec. 31, 2027 are:
Less than	1,171 (80%)	4,059 (90%)	6,006 (95%)
But at least	1,024 (70%)	3,608 (80%)	5,058 (80%)
	Then Adjusted Bluegreen Royalty will be:		
	From Jan. 1, 2026 to Dec. 31, 2026	From Jan. 1, 2027 to Dec. 31, 2027	From Jan. 1, 2028 to Dec. 31, 2028
	4.50%	5.50%	5.50%

** Once the cumulative rooms converted meet 6,006 test after December 31, 2028, the Bluegreen Royalty will revert back to 5.00%.*

Adjusted Fee Threshold 2: Adjusted Brand Royalty for Cumulative Rooms Converted Shortfall

The parties intent is to increase the applicable Brand Royalty by 100 basis points after the applicable Bluegreen Measurement Date if such measurement results in failing to meet the applicable Cumulative Rooms Converted threshold, as follows (Bluegreen Threshold 2 Fee Schedule):

If Cumulative Rooms Converted, by Dec. 31, 2025 are less than:	If Cumulative Rooms Converted, by Dec. 31, 2026 are less than:	If Cumulative Rooms Converted, by Dec. 31, 2027 are less than:
1024 (70%)	3,608 (80%)	5,058 (80%)
Then Adjusted Bluegreen Royalty will be:		
From Jan. 1, 2027 to Dec. 31, 2027	From Jan. 1, 2027 to Dec. 31, 2027	From Jan. 1, 2028 to Dec. 31, 2028
5.00%	6.00%	6.00%

* *Once the cumulative rooms converted meet 6,006 test after December 31, 2028, the Bluegreen Royalty will revert back to 5.00%.*

Exhibit 10.42

SCHEDULE 5.10(e)

Disclaimer Language

Licensee shall include a disclaimer language substantially in the form set forth below in its web- and mobile-based sales and reservations that provide access to accommodations at Legacy Diamond Properties and Legacy Bluegreen Properties:

"I acknowledge that this property is not part of the Hilton portfolio; its features and amenities reflect local safety standards and design finishes that may differ from the standards of a Hilton-branded property.

Please see the TripAdvisor review below for more information about this hotel."

SCHEDULE 8.8

Fire and Life Safety Review and Waiver Process for Diamond Properties and Bluegreen Properties

For the purposes of this Schedule 8.8, the defined term Diamond Property used herein shall not apply to any Diamond Property that has already been converted and rebranded into a Licensed Vacation Ownership Property as of the date of this Agreement pursuant to Section 5.10.

1. Licensee will review or continue to review, or will cause or continue to cause a third-party expert to review, as the case may be, the fire and life safety systems at each New Brand Property and will prepare or continue to prepare a survey of such systems. Licensee will prepare or continue to prepare a summary checklist, in a form reasonably agreed between the Parties ("Checklists"), for Licensor's review for each applicable New Brand Property. Each such Checklist will include a determination as to whether the applicable New Brand Property complies with the FLS Standards.

2. Delivery of Checklists.

    a. Licensee has delivered a Checklist for every Diamond Brand Property located in the United States to Licensor prior to the date on which sales of the HGV Max Licensed Exchange Program commenced. Licensee also has delivered a Checklist for every Diamond Property located outside the United States to Licensor.

    b. With respect to the Bluegreen Properties, Licensee will deliver a Checklist for every Bluegreen Property located in the United States prior to the date on which sales of the HGV Max Licensed Exchange Program commences with respect to a Bluegreen Rebranded Sales Facility. Licensee also will deliver a Checklist for the Bluegreen Property located in Aruba to Licensor by a date to be agreed upon between the Parties.

3. Licensor will use commercially reasonable efforts to review each Checklist and will respond to Licensee as quickly as practicable. With respect to each New Brand Property, Licensor may, in its sole discretion:

    a. Notify Licensee that Licensor, based on the information provided to Licensor, believes that the fire and life safety systems in place at such New Brand Property comply with the FLS Standards without waiver or modification; or

    b. Grant a permanent waiver for certain elements of the fire and life safety systems at such New Brand Property that are not currently in compliance with the FLS Standards. In this instance, Licensee will have no obligation to make modifications to such systems, unless Licensor later makes a change to the FLS Standards or unless changes to applicable law require such modification; or

    c. Grant a temporary waiver for certain elements of the fire and life safety systems at such New Brand Property that are not currently in compliance with the FLS Standards. In this instance, Licensee will make the modifications to the fire and life safety systems as required by and on the timeline stated in such temporary waiver, and will deliver evidence of such timely modifications to Licensor. If Licensee does not make such required modifications to Licensor's satisfaction by the required date in the temporary waiver, Licensor reserves the right to require Licensee to cease operation of the property as a Licensed Vacation Ownership Property, effective immediately upon receive of written notice (including via email) by Licensor to Licensee; or

d. Elect not to grant any waiver with respect to the fire and life safety systems in place at such New Brand Property. In this instance, the New Brand Property may not be converted to a Licensed Vacation Ownership Property unless and until (i) the non- conforming fire and life safety systems identified by Licensor are repaired or replaced to Licensor's satisfaction, and (ii) Licensee resubmits a revised Checklist with respect to the New Brand Property and Licensor approves such revised systems (or grants waivers with respect thereto in accordance with Licensor's standard waiver procedures).

4. For the avoidance of doubt, no New Brand Property may be converted to a Licensed Vacation Ownership Property without first complying with this fire and life safety review and waiver process. Subject to Licensor's approval under Section 5.10 of this Agreement, any New Brand Properties subject to either permanent or temporary waivers may be converted to Licensed Vacation Ownership Properties.

HILTON INSIDER TRADING POLICY

This Policy outlines the responsibilities of Hilton Board Members, Team Members, their families, and various entities, with respect to Insider Trading and federal securities laws. The Policy explains what is prohibited and the consequences associated with such activity, as well as what to do to ensure that any transactions are within legal boundaries.

This policy applies to all owned, leased, and/or managed hotels, and all corporate offices, wherever located. "Hilton" refers to Hilton Worldwide Holdings Inc., Hilton Domestic Operating Company Inc., Hilton Worldwide Manage Limited, any other company owned in whole or in part by Hilton Worldwide Holdings Inc., and any Hilton-owned, leased, and/or managed hotel.

POLICY STATEMENT

This Insider Trading Policy is important because the federal securities laws prohibit trading in a company's stock on the basis of material nonpublic information. Penalties for violations of insider trading laws include embarrassment and liability for Hilton as well as disciplinary, civil and criminal sanctions for individuals, including incarceration.

- Board members and Team Members of Hilton are prohibited from trading in the Company's stock if they are in possession of material nonpublic information.
- Board members, executive officers and certain other persons may not trade in the Company's stock during specified blackout periods.
- A subset of the group that is subject to blackout periods, including board members and executive officers, also must pre-clear their trades with the General Counsel or CFO.
- Although the main focus of this policy is the prohibition of insider trading with respect to Hilton securities, the laws prohibit trading on inside information with respect to any public company's securities, including those of competitors, suppliers and customers. Accordingly, Team Members must be mindful that any third- party confidential information they learn in the course of employment with Hilton may be subject to insider trading considerations.
- This policy also outlines procedures and provides templates to support compliance with all requirements.

Team Members must read the entire Insider Trading Policy.

1. BACKGROUND AND PURPOSE

Hilton Worldwide Holdings Inc. and its subsidiaries (collectively, the "Company") are committed to compliance with all applicable laws, including laws governing trading in the Company's securities.

Federal securities laws prohibit any member of the Board of Directors (a "Board Member") or employee of the Company including employees of all (hotels and timeshare resorts) owned, operated or managed by the Company whether or not they are employed by the Company (collectively "Team Members") from purchasing or selling Company securities on the basis of material nonpublic information (referred to as "MNPI") concerning the Company, or from tipping MNPI to others.

These laws impose severe sanctions on individuals who violate them. In addition, the Securities and Exchange Commission (the "SEC") has the authority to impose large fines on the Company and on Board Members, executive officers and controlling stockholders if the Company's employees engage in insider trading and the Company has failed to take appropriate steps to prevent it (referred to as "controlling person liability").

This Insider Trading Policy (this "Policy") has been adopted in light of these legal requirements, and with the goal of:

- preventing inadvertent violations of the insider trading laws;
- avoiding embarrassing proxy disclosure of reporting violations by persons subject to Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act");
- avoiding even the appearance of impropriety on the part of those employed by, or associated with, the Company;
- protecting the Company from controlling person liability; and
- protecting the reputation of the Company, its Board Members, and its employees.

As detailed below, this Policy applies to family members and certain other persons and entities with whom Board Members and Team Members have relationships.

1.1 WHAT TYPE OF INFORMATION IS "MATERIAL"?

Information is "material" if it is likely that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security or where it is likely to have a significant effect on the market price of the security. Both positive and negative information may be material. While it is not possible to compile an exhaustive list, information concerning any of the following items should be reviewed carefully to determine whether such information is material:

- The Company's key financial metrics and results, including, but not limited to, revenues, quarterly or annual results, EBITDA, adjusted EBITDA, RevPAR, occupancy, ADR, NUG, pipeline, and all GAAP equivalents, including net income and earnings per share.
- Guidance on earnings estimates and changing or confirming such guidance on a later date, or other projections of future financial performance.
- Changes in control or in management or the Board of Directors of the Company.
- Incurrence, refinancing, cancellation or repayment of or any other significant transaction involving the Company's corporate debt, including changes to any key debt terms, such as amounts, interest rates and maturities, or any other key change to the Company's capital stock.
- Development or launch of a new brand or a significant change in the strategic direction of an existing brand.
- A Company decision to commence or terminate the payment of cash dividends.
- Developments regarding customers or suppliers including the acquisition or loss of an important contract.
- Any financing transactions out of the ordinary course.
- Changes in compensation policy.
- The establishment of a program to repurchase securities of the Company.
- A default on outstanding debt of the Company or a bankruptcy filing, corporate restructuring or receivership.
- Legal or regulatory matters.
- Updates or changes to corporate governance practices.
- Change in or dispute with the Company's independent registered public accounting firm.
- Financings and other events regarding the Company's securities (e.g., defaults on securities, calls of securities for redemption, repurchase plans, stock splits, public or private sales of securities, changes in dividends and changes to the rights of security holders).
- Significant write-offs.
- A conclusion by the Company or a notification from its independent auditor that any of the Company's previously issued financial statements or auditor's report regarding such financial statements should no longer be relied upon.

This list is illustrative only and is not intended to provide a comprehensive list of circumstances that could give rise to material information. Any person covered by this Policy should resolve any question concerning materiality of particular information in favor of materiality, and thus the activities described in Section 2.2 should be avoided until such information has been publicly disclosed or it has been determined that such information is not, or has ceased to be, material. The SEC takes a broad view as to what information is considered material. If you have any questions as to whether certain information is material, please contact the Office of the General Counsel.

1.2 WHEN IS INFORMATION "NONPUBLIC"?

Information concerning the Company is considered nonpublic if it has not been disseminated in a manner making it available to investors generally.

For purposes of this Policy, information is "Nonpublic" until three criteria have been satisfied:
(1) the information has been widely disseminated in one or more of the following ways: it has been carried in a "financial" news service such as the Dow Jones Broad Tape, it has been carried in a "general" news service such as the Associated Press, it has been carried by a national television news service, and/or it has appeared in a public filing made with the SEC (such as a Report on Form 10-K, Form

10-Q or Form 8-K); (2) the information disclosed was some form of "official" announcement (the fact that rumors, speculation, or statements attributed to unidentified sources are public is insufficient to be considered widely disseminated even when the information is accurate) and (3) a sufficient amount of time has passed so that the information has had an opportunity to be digested by the marketplace.

2. PROHIBITIONS RELATING TO TRANSACTIONS IN THE COMPANY'S SECURITIES

2.1 PERSONS COVERED BY THIS POLICY

This Policy applies to the following persons or entities, hereafter referred to as "Covered Persons":

- All Board Members.
- All Team Members.
- All family members of Board Members and Team Members, which, for purposes of this Policy, means those individuals who share the same address as, or are financially dependent on, such person and any other person who shares the same address as such person (other than (x) an employee or tenant or (y) another unrelated person whom the General Counsel determines should not be covered by this Policy) ("Family Members").
- All corporations, partnerships, trusts, or other entities controlled by any of the above persons, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving Company securities (all hereafter referred to as "Related Entities").

2.2 PROHIBITION ON TRADING WHILE AWARE OF MNPI

Except as provided in Section 4, no Covered Person may:

- Purchase, sell, donate, or otherwise transfer any securities of the Company or engage in any other transaction to acquire, transfer or dispose of securities, including market option exercises, exercises of stock options granted under the Company's stock plans, sales of stock acquired upon the exercise of options and trades made under an employee benefit plan such as a 401(k) plan while he or she is aware of any MNPI concerning the Company or recommend to another person that they do so.
- Disclose to any other person any MNPI concerning the Company if such person may misuse that information, such as by purchasing or selling Company securities, or tipping that information to others.
- Purchase, sell, or donate any securities of another company or engage in any other transaction to acquire, transfer or dispose of securities of another company while he or she is aware of any MNPI concerning such other company that he or she learned in the course of his or her service as a Board Member or Team Member of the Company or recommend to another person that they do so.
- Disclose to any other person any MNPI concerning another company which he or she learned in the course of his or her service as a Board Member or Team Member of the Company if such person may misuse that information, such as by purchasing or selling securities of such other company, or tipping that information to others.
- Comment on stock price movements or rumors of other corporate developments (including discussions in Internet chat rooms, on message boards, social media websites, news groups or any other similar forums) that are of possible significance to the investing public except in the ordinary course of business consistent with the guidelines set forth in this Policy, the Hilton Corporate Communications Policy, the Hilton Public Communications, Public Disclosure and Regulation FD Policy and the Hilton Confidential Information and Trade Secrets Guidelines and Policy.

2.3 PROHIBITION ON PLEDGES

No Covered Person may purchase Company securities on margin, borrow against Company securities held in a margin account, or pledge Company securities as collateral for a loan.

2.4 PROHIBITION ON SHORT SALES AND DERIVATIVE TRANSACTIONS

No Covered Person may engage in any of the following types of transactions:

- short sales of Company securities, including short sales "against the box"; or
- purchases or sales of puts, calls, or other derivative instruments or securities based on the Company's securities.

3. ADDITIONAL PROHIBITIONS APPLICABLE TO DIRECTORS, EXECUTIVES AND DESIGNATED EMPLOYEES

3.1 REQUIREMENTS FOR ACCESS TO MNPI

This Section 3 imposes additional requirements on certain persons in the Company who may have access to MNPI as part of their ordinary course roles and responsibilities ("Access Persons").
For purposes of this Policy, Access Persons are designated as follows:

- All Board Members.
- All "officers", as defined under Section 16 of the Exchange Act ("Section 16 Officers").
- All members of the Company's Executive Committee ("EC Members").
- All Team Members at the level of Senior Vice President and above.
- Team Members in the following Company departments at the designated levels:

- **Finance Department –** all Team Members at the Vice President level and above, plus:
  for the Investor Relations, Financial Reporting, Consolidations, Financial Systems and Technical Accounting divisions and the Corporate Financial Planning and Analysis team, Team Members at all levels;
  for the Corporate Accounting division, all Team Members at the Director level and above
  for the Tax Accounting Research and Reporting division, all Team Members at the Senior Manager level and above;
  for the Internal Audit department, all Team Members at the Director level and above;
  for the Operations Finance division, all Team Members at the Director level and above;
  for the Feasibility and Investment Analysis division, all Team Members at the Director level and above.
- **Legal Department** – all Team Members at the Manager level and above.

- **Corporate Communications –** all members of the Corporate Communications leadership team and all members of Global Corporate Communications division.

- Such other Team Members as are designated from time to time by the General Counsel.
- All Family Members of the above listed Access Persons.
- All Related Entities of the above listed Access Persons.

All Access Persons must submit to the Office of the General Counsel an acknowledgment in the form attached hereto as Schedule I.

3.2 BLACKOUT PERIODS

a) Regular Blackout Periods

Except as provided in Section 4, no Access Person may purchase, sell, donate or otherwise transfer any securities of the Company during the period beginning two weeks prior to the end of each fiscal quarter and ending upon the completion of the first full trading day after the public announcement of earnings for such quarter (a "Regular Blackout Period").

b) Corporate News Blackout Periods

The Company may from time to time notify Board Members, Section 16 Officers and other specified Team Members that an additional blackout period (a "Special Blackout Period") is in effect in view of significant events or developments involving the Company. In such event, except as provided in Section 4, no such individual may purchase, sell, donate or otherwise transfer any securities of the Company during such Special Blackout Period or inform anyone else that a Special Blackout Period is in effect.

In this Policy, Regular Blackout Periods and Special Blackout Periods are each referred to as a "Blackout Period."

c) Notification of Blackout Periods

The Company will deliver an e-mail (or other communication) notifying all Access Persons when a Regular Blackout Period will begin and end. In the case of a Special Blackout Period, the Company will notify Board Members, Section 16 Officers and specified Team Members by e-mail (or other communication) when the Special Blackout Period begins and when it ends. The Company's delivery or nondelivery of these e-mails (or other communications) does not relieve any Access Person of the obligation to only trade in securities of the Company in full compliance with this Policy.

3.3 NOTICE AND PRE-CLEARANCE OF TRANSACTIONS

Certain Access Persons are required to obtain pre-clearance of any trading activity as described in this section.

a) Pre-Transaction Clearance

No Board Member, Section 16 Officer or EC Member (a "Pre-Clearance Person") may purchase or sell or otherwise acquire or dispose of securities of the Company, other than in a transaction permitted under Section 4, unless such person pre-clears the transaction with either the Chief Financial Officer or the General Counsel. A request for pre-clearance shall be made at least two business days in advance of the proposed transaction and by completing a "Request for Pre-Clearance" form, which is attached hereto as Schedule II, and submitting it to the Office of the General Counsel.

Pre-Clearance must be in writing, dated and signed, specifying the securities involved. The Chief Financial Officer and the General Counsel shall have sole discretion to decide whether to clear any contemplated transaction. The General Counsel shall have sole discretion to decide whether to clear transactions by the Chief Financial Officer or persons or entities subject to this Policy as a result of their relationship with the Chief Financial Officer, and the Chief Financial Officer shall have sole discretion to decide whether to clear transactions by the General Counsel or persons or entities subject to this Policy as a result of their relationship with the General Counsel.

All trades that are pre-cleared must be effected within two business days of receipt of the pre- clearance unless a specific exception has been granted by the General Counsel and the Chief Financial Officer. A pre-cleared trade (or any portion of a pre-cleared trade) that has not been effected during the two business day period must be pre- cleared again prior to execution. Notwithstanding receipt of pre-clearance, if the Pre-Clearance Person becomes aware of MNPI or becomes subject to a Blackout Period before the transaction is effected, the transaction is prohibited.

b) Post-Transaction Notice

To facilitate public reporting requirements, each Board Member and Section 16 Officer shall also notify the General Counsel (or his or her designee) of the occurrence of any purchase, sale, gift, or other acquisition or disposition of securities of the Company as soon as possible following the transaction, but in any event within one business day after the transaction. Such notification may be oral or in writing (including by email) and should include the identity of the covered person, the type of transaction, the date of the transaction, the number of shares involved and the purchase or sale price.

c) Deemed Time of a Transaction

For purposes of this Section 3.3, a purchase, sale, or other acquisition or disposition shall be deemed to occur at the time the person becomes irrevocably committed to it (for example, in the case of an open market purchase or sale, this occurs when the trade is executed, not when it settles).

4. EXCEPTIONS

4.1 EXCEPTIONS

The prohibitions in Sections 2.2 and 3.2 on purchases, sales, donations and other transfers of Company securities do not apply to:

- Exercises of stock options or other equity awards that would otherwise expire or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations, in each case in a manner permitted by the applicable equity award agreement; provided, however, that the securities so acquired may not be sold (either outright or in connection with a "cashless" exercise transaction through a broker) while the Team Member or Board Member is aware of MNPI or, in the case of an Access Person, during a Blackout Period.
- Other purchases of securities from the Company or sales of securities to the Company.

4.2 10B5-1 PLANS

The prohibitions in Sections 2.2 and 3.2 on purchases, sales, donations and other transfers of Company securities do not apply to: purchases, sales, donations or transfers made pursuant to a binding contract, written plan or specific instruction (a "Trading Plan") that is adopted and operated in compliance with Rule 10b5-1, included but not limited to

compliance with applicable restrictions on overlapping 10b5-1 trading plans and minimum cooling-off periods; provided such Trading Plan:

(1) is in writing;

(2) was submitted to the Company for review by the Company and pre-cleared by the General Counsel prior to its adoption;

(3) was not adopted while the employee or Board Member was aware of MNPI or, in the case of an Access Person, during a Blackout Period; and

(4) in the case of a Board Member or Section 16 Officer, requires the Board Member's or Section 16 Officer's broker to notify the Company before the close of business on the day after the execution of the transaction.

a) Modifications to Trading Plans

Modifications to Trading Plans must be carefully considered and generally are discouraged absent compelling circumstances. In all cases, any modification to a Trading Plan must also comply with all of the above requirements, including applicable cooling-off periods, all other 10b5-1 requirements, and pre-clearance by the General Counsel.

b) Trade Commencement under Trading Plan

For Access Persons, if a Trading Plan is adopted (or modified) within two weeks prior to the commencement of a Regular Blackout Period, trades may not occur pursuant to such Trading Plan prior to the termination of such Regular Blackout Period and in no event earlier than the expiration of the applicable cooling-off period that applies under Rule 10b5-1(c)(1)(ii)(B).

The Company reserves the right to withhold pre- clearance of any Trading Plan that the Company determines is not consistent with the rules regarding such plans.

4.3 HARDSHIP EXEMPTIONS

Those subject to Blackout Periods may request a hardship exemption for periods during a blackout if they are not in possession of MNPI and are not otherwise prohibited from trading pursuant to this Policy. Hardship exemptions will be granted infrequently and only in exceptional circumstances. Any request for a hardship exemption shall be made to the Chief Financial Officer or the General Counsel.

4.4 APPLICATION OF POLICY AFTER CESSATION OF SERVICE

For all Covered Persons, this Policy continues in effect until the end of the first Regular Blackout Period after termination of employment or other relationship with the Company, except that the pre-clearance requirements set forth in Section 3.3 continue to apply to Pre-Clearance Persons and their respective Family Members and Related Entities for six months after termination of their status with the Company.

5. REGULATION BTR

If the Company is required to impose a "pension fund blackout period" under Regulation BTR, no Board Member or Section 16 Officer shall directly or indirectly sell, purchase or otherwise transfer during such blackout period any equity securities of the Company acquired in connection with his or her service as a director or officer of the Company, except as permitted by Regulation BTR.

6. PENALTIES FOR VIOLATION

Violation of any of the foregoing rules is grounds for disciplinary action by the Company, including termination of employment. In addition to any disciplinary actions the Company may take, insider trading can also result in administrative, civil or criminal proceedings that can result in significant fines and civil penalties, being barred from service as an officer or director of a public company or imprisonment.

7. COMPANY EDUCATION AND ASSISTANCE

7.1 EDUCATION

The Company shall take reasonable steps designed to ensure that all Board Members and Team Members are educated about, and periodically reminded of, the federal securities law restrictions and Company policies regarding insider trading.

7.2 ASSISTANCE

The Company shall provide reasonable assistance to all Board Members and Section 16 Officers, as requested by such Board Members and Section 16 Officers, in connection with the filing of Forms 3, 4 and 5 under Section 16 of the Exchange Act. However, the ultimate responsibility, and liability, for timely filing remains with the Board Members and Section 16 Officers.

7.3 LIMITATION ON LIABILITY

None of the Company, the Chief Financial Officer, the General Counsel, or the Company's other employees will have any liability for any delay in reviewing, or refusal of, a request to allow a request for pre-clearance submitted pursuant to Section 3.3 or a trading plan submitted pursuant to Section 4.1. Notwithstanding any pre-clearance of a transaction pursuant to Section 3.3 or review of a trading plan pursuant to Section 4.1, none of the Company, the Chief Financial Officer, the General Counsel, or the Company's other employees assumes any liability for the legality or consequences of such transaction or trading plan to the person engaging in or adopting such transaction or trading plan.

Exhibit 21.1

List of Subsidiaries

Company Name	Country
259 Pitt Street Pty Ltd.	Australia
3750 Residential Employer LLC	Delaware
3750 Residential Management LLC	Delaware
90210 Grand Wailea Employer LLC	Delaware
90210 LLC	Delaware
90210 Management Company, LLC	Delaware
Adana Hilton Enternasyonal Otelcilik Limited Sirketi	Turkey
Adda Hotels	United Kingdom
Adda Properties Limited	United Kingdom
Addis Ababa Hilton Private Limited Company	Ethiopia
Admiral I Pty Limited	Australia
Admiral II Pty Limited	Australia
Admiral III Pty Limited	Australia
Admiral Investments Pty Limited	Australia
Ankara Enternasyonal Otelcilik Anonim Sirketi	Turkey
ATM Hotels Pty. Limited	Australia
Bally's Grand Property Sub I, LLC	Nevada
Blue Bonnet Security Employer LLC	Delaware
Blue Bonnet Security, LLC	Delaware
Canopy Employer LLC	Delaware
Canopy Hotel Management LLC	Delaware
Comfort Hotels International Limited	United Kingdom
Comfort Hotels Limited	United Kingdom
Comfort Inns BV	Netherlands
Conrad Employer LLC	Delaware
Conrad International (Egypt) LLC	Nevada
Conrad International (Egypt) LLC - Egypt Branch	Egypt
Conrad International (Egypt) Resorts Corporation	Nevada
Conrad International (Thailand) Limited	Thailand
Conrad International Hotels (HK) Limited	Hong Kong
Conrad International Management Services (Singapore) Pte Ltd	Singapore
Conrad Management LLC	Delaware
Conrad Nagoya Godo Kaisha	Japan
Conrad Osaka Godo Kaisha	Japan
Curio Employer LLC	Delaware
Curio Las Vegas Employer LLC	Delaware
Curio Management LLC	Delaware
Custom House Hotel, L.P.	Missouri
Destination Resorts LLC	Arizona
Doubletree De Mexico, S.A. De C.V.	Mexico
Doubletree Employer LLC	Delaware
Doubletree Hotels LLC	Arizona
Doubletree International Franchise LLC	Delaware
Doubletree LLC	Delaware

Exhibit 21.1

List of Subsidiaries

Doubletree Management LLC	Delaware
DT Employer LLC	Delaware
DT Management LLC	Arizona
DT Real Estate, LLC	Arizona
DTR Houston, Inc.	Arizona
Embassy Development LLC	Delaware
Embassy Suites Club No. Two, Inc.	Texas
Embassy Suites Employer LLC	Delaware
Embassy Suites Management LLC	Delaware
Florida Conrad International Corp.	Florida
GIC 11 E. Walton LLC	New York
Grand Hotel Imperial dd	Croatia
Grundstucksgesellschaft Belvederer Allee Weimar mbH	Germany
GW Hotel Inc.	Delaware
GW Manager LLC	Delaware
H Alliance, Inc.	Delaware
Hampton Inns Employer LLC	Delaware
Hampton Inns Management LLC	Delaware
Hapeville Investors, LLC	Delaware
HBM Global Risk Corporation	Arizona
HI Investment (Colombia) EU	Columbia
HI US Finance LLC	Delaware
HIC First LLC	Delaware
HIC Gaming California, Inc	California
HIC Group International Luxembourg S.a.r.l.	Luxembourg
HIC Holdings BV	Netherlands
HIC Holdings LLC	Delaware
HIC Hotels U.S.A. LLC	Delaware
HIC Racing (Chiswick) Limited	United Kingdom
HIC Racing Corporation	Delaware
HIC Roissy Netherlands BV	Netherlands
HIC San Pablo Limited, Inc	California
HIC Second LLC	Delaware
HIC Treasury Limited	United Kingdom
Hilmex Holdings, S. de R.L. de C.V.	Mexico
Hilton (Hellas) Monoprosopi EPE	Greece
Hilton 11 E. Walton Mezz LLC	Delaware
Hilton Argentina SRL	Argentina
Hilton Brazil Operacoes E Participacoes Ltda.	Brazil
Hilton BVP Management LLC	Delaware
Hilton Canada Co.	Canada
Hilton Corporate Director LLC	Delaware
Hilton Cyprus Limited	Cyprus
Hilton Domestic Operating Company Inc.	Delaware
Hilton Egypt Trading Company (a/k/a Hilton Lil Tigara)	Egypt

Exhibit 21.1

List of Subsidiaries

Hilton Employer Inc.	Delaware
Hilton Enternasyonal Otelcilik AS	Turkey
Hilton Enternasyonal Otelcilik AS - Ankara branch	Turkey
Hilton Enterprise Management & Consulting (Nanjing) Co., Ltd	China
Hilton Enterprise Management (Shanghai) Co Ltd	China
Hilton Enterprise Management (Shanghai) Co Ltd - Beijing Branch	China
Hilton Enterprise Management (Shanghai) Co Ltd - Shenzen Branch	China
Hilton Finance (UK) Limited	United Kingdom
Hilton Finance Inc.	Delaware
Hilton Franchise Holding LLC	Delaware
Hilton Garden Inns Employer LLC	Delaware
Hilton Garden Inns Management LLC	Delaware
Hilton Global Foundation	Delaware
Hilton HHC Limited	United Kingdom
Hilton HIH Limited	United Kingdom
Hilton Holdings LLC	Nevada
Hilton Honors Worldwide LLC	Delaware
Hilton Hospitality LLC	Delaware
Hilton Hotel Employer LLC	Delaware
Hilton Hotel Management (Shanghai) Co Ltd	China
Hilton Hotel Management (Shanghai) Co Ltd - Beijing branch	China
Hilton Hotel Management Services Private Limited	India
Hilton Hotel Service Co Limited	Japan
Hilton Hotels (Ireland) Limited	Ireland
Hilton Hotels Management India Private Limited	India
Hilton Hotels of Australia (Melbourne) Pty Ltd	Australia
Hilton Hotels of Australia Pty Limited	Australia
Hilton Illinois Holdings LLC	Delaware
Hilton Illinois LLC	Nevada
Hilton Internacional de Venezuela CA	Venezuela
Hilton International (France) SAS	France
Hilton International (Gaborone) (Proprietary) Limited	Botswana
Hilton International (Germany) GmbH	Germany
Hilton International (Moscow) LLC	Delaware
Hilton International (Switzerland) GmbH	Switzerland
Hilton International (Thailand) Limited	Thailand
Hilton International Asia Pacific Pte Ltd	Singapore
Hilton International Australia Holding Pty Ltd	Australia
Hilton International Australia Pty Limited	Australia
Hilton International Barbados Limited	Barbados
Hilton International Canada CRA ULC	Canada
Hilton International Co - Sucursal em Portugal	Portugal
Hilton International Co (Belgium) BVBA	Belgium
Hilton International Entities Holding Limited	United Kingdom
Hilton International Franchisor LLC	Delaware

Exhibit 21.1

List of Subsidiaries

Hilton International GAMMA	France
Hilton International Holding LLC	Delaware
Hilton International Holding USA Corporation	Delaware
Hilton International Holdings LLC	Delaware
Hilton International Hotels (UK) Limited	United Kingdom
Hilton International IP Holding 2 Limited	United Kingdom
Hilton International IP Holding Limited	United Kingdom
Hilton International Jamaica Limited	Jamaica
Hilton International Laos Sole Co., Ltd.	Lao People's Democratic Republic
Hilton International LLC	Delaware
Hilton International LLC - DIFC Branch	United Arab Emeriates
Hilton International LLC (Foreign Branch) (RAK)	United Arab Emeriates
Hilton International Malaysia Sdn Bhd	Malaysia
Hilton International Manage (Maldives) Pvt. Ltd	Maldives
Hilton International Manage LLC	Delaware
Hilton International Manage LLC - Canada	Canada
Hilton International Manage LLC - Egypt	Egypt
Hilton International Manage LLC Branche (Tunisia)	Tunisia
Hilton International Management (Middle East) Corporation - Ukraine Representative Office	Ukraine
Hilton International Management LLC	Delaware
Hilton International Management LLC (Sri Lanka)	Sri Lanka
Hilton International Master Holding Limited	United Kingdom
Hilton International Nederland B.V.	Netherlands
Hilton International New Zealand Limited	New Zealand
Hilton International South Africa (PTY) Limited	South Africa
Hilton International Trinidad Limited	Trinidad and Tobago
Hilton International Trocadero	France
Hilton International Vermogensverwaltung GmbH	Germany
Hilton International Wien GmbH	Austria
Hilton Israel Ltd	Israel
Hilton Italiana Srl	Italy
Hilton Malta Limited	Malta
Hilton Management Liquor LLC	Delaware
Hilton Management LLC	Delaware
Hilton Munich Airport Hotel Manage GmbH	Germany
Hilton Nairobi Limited	Kenya
Hilton NUS HSS, Inc.	Delaware
Hilton of Panama, Ltd.	Panama
Hilton of Spain S.L.	Spain
Hilton PCB S.a.r.l.	Luxembourg
Hilton Reservations Worldwide, L.L.C.	Delaware

Exhibit 21.1

List of Subsidiaries

Hilton Russia LLC	Delaware
Hilton Russia LLC - Russian branch	Russia
Hilton Service Center GmbH	Germany
Hilton Signia BT SPE LLC	Delaware
Hilton Supply Management LLC	Delaware
Hilton Systems Solutions, LLC	Delaware
Hilton Telemarketing LLC	Delaware
Hilton Travel Services LLC	Delaware
Hilton UK Corporate Director Limited	United Kingdom
Hilton UK Foundation	United Kingdom
Hilton UK Hotels Limited	United Kingdom
Hilton UK Manage Limited	United Kingdom
Hilton UK Manage Limited - Saudi Arabia	Saudi Arabia
Hilton UK Manage Limited - Sucursal em Portugal	Portugal
Hilton UK Manage Limited - Swedish Filial	Sweden
Hilton UK Pension Trustee Limited	United Kingdom
Hilton Worldwide Domestic FS Treasury LLC	Delaware
Hilton Worldwide Finance Corp.	Delaware
Hilton Worldwide Franchising LP	United Kingdom
Hilton Worldwide FS Treasury Limited	United Kingdom
Hilton Worldwide Holding 1 Limited	United Kingdom
Hilton Worldwide Holding 2 Limited	United Kingdom
Hilton Worldwide Holding LLP	United Kingdom
Hilton Worldwide Holdings Inc.	Delaware
Hilton Worldwide International do Brasil Ltda.	Brazil
Hilton Worldwide International Holding 1 LLC	Delaware
Hilton Worldwide International Japan Godo-Kaisha	Japan
Hilton Worldwide International Luxembourg Holding S.à r.l.	Luxembourg
Hilton Worldwide International Myanmar Company Limited	Myanmar
Hilton Worldwide International Puerto Rico LLC	Puerto Rico
Hilton Worldwide Limited	United Kingdom
Hilton Worldwide Limited Hong Kong Branch	Hong Kong
Hilton Worldwide Manage Branchco Limited	United Kingdom
Hilton Worldwide Manage Branchco Limited - Malaysia Branch	Malaysia
Hilton Worldwide Manage Branchco Limited - Sucursal em Portugal	Portugal
Hilton Worldwide Manage Branchco Limited (Ukraine)	Ukraine
Hilton Worldwide Manage Branchco Limited Branch - Georgia	Georgia
Hilton Worldwide Manage Branchco Limited Branch in Kosovo	Kosovo
Hilton Worldwide Manage Branchco Limited -Colombia Branch	Columbia
Hilton Worldwide Manage Branchco Limited Korea Branch	South Korea
Hilton Worldwide Manage Branchco Limited -Seychelles	Seychelles
Hilton Worldwide Manage Branchco Limited spółka z ograniczona odpowiedzialnością Oddział w Polsce	Poland
Hilton Worldwide Manage Branchco Ltd - Sucursal Uruguay	Uruguay
Hilton Worldwide Manage Ghana Limited	Ghana

Exhibit 21.1

List of Subsidiaries

Hilton Worldwide Manage Limited	United Kingdom
Hilton Worldwide Manage Limited - Papua New Guinea Registration	Papua New Guinea
Hilton Worldwide Parent LLC	Delaware
Hilton Worldwide Services Limited	United Kingdom
Hilton Worldwide Services Limited - Dubai Branch	United Arab Emeriates
Hiro Grundstucks GmbH & Co KG	Germany
HIRO Hotel GmbH & Co KG	Germany
HIRO Verwaltungs GmbH	Germany
HLT Amity LLC	Delaware
HLT Aro Manage Limited	United Kingdom
HLT Audubon LLC	Delaware
HLT Brazil LLC	Delaware
HLT Conrad Domestic Employer LLC	Delaware
HLT Conrad Domestic LLC	Delaware
HLT Drake Employer LLC	Delaware
HLT Drake LLC	Delaware
HLT English Operator Limited	United Kingdom
HLT ESP International Franchise LLC	Delaware
HLT Existing Franchise Holding LLC	Delaware
HLT German Manage GmbH	Germany
HLT German Services GmbH	Germany
HLT HSM Holding LLC	Delaware
HLT HSS Holding LLC	Delaware
HLT International Existing Franchise Holding LLC	Delaware
HLT International Manage LLC	Delaware
HLT JV Acquisition LLC	Delaware
HLT London Manage Limited	United Kingdom
HLT Managed Mezz VI-A LLC	Delaware
HLT Managed Mezz VI-B LLC	Delaware
HLT Managed Mezz VI-C LLC	Delaware
HLT Managed Mezz VI-D LLC	Delaware
HLT Managed Mezz VI-E LLC	Delaware
HLT Managed Mezz VI-F LLC	Delaware
HLT Managed Mezz VI-G LLC	Delaware
HLT Managed Mezz VI-H LLC	Delaware
HLT Managed Mezz VI-I LLC	Delaware
HLT Managed Mezz VI-J LLC	Delaware
HLT Managed Mezz VI-K LLC	Delaware
HLT Managed Mezz XI-A GmbH	Germany
HLT Managed Mezz XI-B GmbH	Germany
HLT Managed Mezz XI-C GmbH	Germany
HLT Managed Mezz XI-D GmbH	Germany
HLT Managed Mezz XI-E GmbH	Germany
HLT Managed Mezz XI-F GmbH	Germany

Exhibit 21.1

List of Subsidiaries

HLT Managed Mezz XI-G GmbH	Germany
HLT Managed Mezz XI-H GmbH	Germany
HLT Managed Mezz XI-I GmbH	Germany
HLT Managed Mezz XI-J GmbH	Germany
HLT Managed Mezz XI-K GmbH	Germany
HLT Managed VI Holding LLC	Delaware
HLT Managed VI-A Borrower LLC	Delaware
HLT Managed VI-A Holding LLC	Delaware
HLT Managed XI-A Borrower GmbH	Germany
HLT Managed XII-A Holding LLC	Delaware
HLT Mexico LLC	Delaware
HLT Operating Mezz III-K Limited	United Kingdom
HLT Operating Mezz VII-A Limited	United Kingdom
HLT Operating Mezz VII-B Limited	United Kingdom
HLT Operating Mezz VII-C Limited	United Kingdom
HLT Operating Mezz VII-D Limited	United Kingdom
HLT Operating Mezz VII-E Limited	United Kingdom
HLT Operating Mezz VII-F Limited	United Kingdom
HLT Operating Mezz VII-G Limited	United Kingdom
HLT Operating Mezz VII-H Limited	United Kingdom
HLT Operating Mezz VII-I Limited	United Kingdom
HLT Operating Mezz VII-J Limited	United Kingdom
HLT Operating Mezz VII-K Limited	United Kingdom
HLT Operating Mezz V-K Limited	United Kingdom
HLT Operating VII-A Borrower GmbH	Germany
HLT Owned IX Holding Limited	United Kingdom
HLT Owned IX-A Holding Limited	United Kingdom
HLT Owned Mezz IX-A Limited	United Kingdom
HLT Owned Mezz IX-B Limited	United Kingdom
HLT Owned Mezz IX-C Limited	United Kingdom
HLT Owned Mezz IX-D Limited	United Kingdom
HLT Owned Mezz IX-E Limited	United Kingdom
HLT Owned Mezz IX-F Limited	United Kingdom
HLT Owned Mezz IX-G Limited	United Kingdom
HLT Owned Mezz IX-H Limited	United Kingdom
HLT Owned Mezz IX-I Limited	United Kingdom
HLT Owned Mezz IX-J Limited	United Kingdom
HLT Owned Mezz IX-K Limited	United Kingdom
HLT Owned Mezz V-A Limited	United Kingdom
HLT Owned Mezz V-B Limited	United Kingdom
HLT Owned Mezz V-C Limited	United Kingdom
HLT Owned Mezz V-D Limited	United Kingdom
HLT Owned Mezz V-E Limited	United Kingdom
HLT Owned Mezz V-F Limited	United Kingdom
HLT Owned Mezz V-G Limited	United Kingdom

Exhibit 21.1

List of Subsidiaries

HLT Owned Mezz V-H Limited	United Kingdom
HLT Owned Mezz V-I Limited	United Kingdom
HLT Owned Mezz VII-A LLC	Delaware
HLT Owned Mezz VII-B LLC	Delaware
HLT Owned Mezz VII-C LLC	Delaware
HLT Owned Mezz VII-D LLC	Delaware
HLT Owned Mezz VII-E LLC	Delaware
HLT Owned Mezz VII-F LLC	Delaware
HLT Owned Mezz VII-G LLC	Delaware
HLT Owned Mezz VII-H LLC	Delaware
HLT Owned Mezz VII-I LLC	Delaware
HLT Owned Mezz VII-J LLC	Delaware
HLT Owned Mezz VII-K LLC	Delaware
HLT Owned Mezz V-J Limited	United Kingdom
HLT Owned Mezz V-K Limited	United Kingdom
HLT Owned V Holding Limited	United Kingdom
HLT Owned V-A Holding Limited	United Kingdom
HLT Owned VI-A Holding LLC	Delaware
HLT Owned VII Holding LLC	Delaware
HLT Owned VII-A Holding LLC	Delaware
HLT Palmer Employer LLC	Delaware
HLT Palmer LLC	Delaware
HLT Prism LLC	Delaware
HLT Plastics Purchaser LLC	Delaware
HLT Plastics UK Purchaser LLC	Delaware
HLT Secretary Limited	United Kingdom
HLT Stakis IP Limited	United Kingdom
HLT Stakis Operator Limited	United Kingdom
HLT Waldorf=Astoria International Manage LLC	Delaware
Home2 Employer LLC	Delaware
Home2 Management LLC	Delaware
Homewood Suites Employer LLC	Delaware
Homewood Suites Management LLC	Delaware
Hotel Clubs of Corporate Woods, Inc.	Kansas
Hotel Corporation of Europe (Milan Branch)	Italy
Hotel Corporation of Europe LLC	Delaware
Hotel Maatschappij Schiphol BV	Netherlands
Hotelbetriebsgesellschaft Hochstrasse GmbH	Germany
Hotels Statler Company, Inc.	Delaware
Hotels Statler Employer LLC	Delaware
HPP Hotels USA LLC	Delaware
HPP International LLC	Delaware
Inhil Co., Inc.	New York
International Brand Hospitality Austria GmbH	Austria
International Brand Hospitality GmbH	Germany

Exhibit 21.1

List of Subsidiaries

International Company for Touristic Investments, S.A.E.	Egypt
International Hotels (Kenya) Limited	Kenya
International Rivercenter Lessee, L.L.C.	Louisiana
Istanbul Park Hilton Enternasyonal Otelcilik Limited Sirketi	Turkey
Izmir Enternasyonal Otelcilik Anonim Sirketi	Turkey
Izmir Hilton Enternasyonal Otelcilik AS	Turkey
Livingwell Australia Pty Limited	Australia
LXR Employer LLC	Delaware
LXR Management LLC	Delaware
Madagascar Hilton SARL	Madagascar
Maple Hotels Management Company Limited	United Kingdom
Mayaguez Hilton Corporation - Puerto Rico branch	Puerto Rico
Mayaguez Hilton LLC	Delaware
MC Treasury Limited	United Kingdom
Mersin Hilton Enternasyonal Otelcilik AS	Turkey
Morning Light Co Ltd	United Kingdom
Motto Employer LLC	Delaware
Motto Management LLC	Delaware
München Park Hilton Zweigniederlassung der Hilton International LLC	Germany
Nagoya Hilton Co Ltd	Japan
Nippon Hilton Co Ltd	Japan
On Command Corporation	Delaware
Operadora de Hoteles Loreto, S. de R.L. de C.V	Mexico
Osaka Hilton Co Ltd	Japan
P55 Beverage LLC	Delaware
Promus Hotel Services, Inc.	Delaware
Promus Hotels Florida LLC	Delaware
Promus Hotels LLC	Delaware
Promus Hotels Parent LLC	Delaware
PT Conrad Management Indonesia	Indonesia
PT Hilton International Manage Indonesia	Indonesia
Puckrup Hall Hotel Limited	United Kingdom
SALC II LLC	Delaware
SALC III LLC	Delaware
SALC, Inc.	Texas
Servicios y Recursos Administrativos Hoteleros S. de R.L. de C.V.	Mexico
Signia Hotel Employer LLC	Delaware
Signia Hotel Management LLC	Delaware
Societe de Developpement Hotel Pointe des Blagueurs B.V.	Netherlands
Societe d'Exploitation Hoteliere d'Orly SARL	France
Societe d'exploitation Hoteliere La defense SAS	France
Societe Tunis Hilton SARL	Tunisia
Splendid Property Company Limited	United Kingdom
Sunrise Resources (Australia) Pty Ltd	Australia
Tapestry Employer LLC	Delaware

Exhibit 21.1

List of Subsidiaries

Tapestry Management LLC	Delaware
Tel-Aviv Hilton Limited	Israel
Tempo Hotel Employer LLC	Delaware
Tempo Hotel Management LLC	Delaware
Tokyo Bay Hilton Co. Ltd	Japan
Tru Management LLC	Delaware
Tru Employer LLC	Delaware
UK Leasing Leicester Ltd	United Kingdom
Waldorf=Astoria Employer LLC	Delaware
Waldorf=Astoria Management LLC	Delaware
World Hotels, B.V.	Netherlands

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1) Registration Statement (Form S-3 No. 333-278944) of Hilton Worldwide Holdings Inc.,
2) Registration Statement (Form S-8 No. 333-192772) pertaining to the 2013 Omnibus Incentive Plan of Hilton Worldwide Holdings Inc.,
3) Registration Statement (Form S-8 No. 333-218210) pertaining to the Hilton 2017 Omnibus Incentive Plan of Hilton Worldwide Holdings Inc., and
4) Registration Statement (Form S-8 No. 333-233860) pertaining to the Hilton 2019 Employee Stock Purchase Plan of Hilton Worldwide Holdings Inc.;

of our reports dated February 6, 2025, with respect to the consolidated financial statements of Hilton Worldwide Holdings Inc. and the effectiveness of internal control over financial reporting of Hilton Worldwide Holdings Inc. included in this Annual Report (Form 10-K) of Hilton Worldwide Holdings Inc. for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Tysons, Virginia
February 6, 2025

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Christopher J. Nassetta, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2024 of Hilton Worldwide Holdings 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 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 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.

By: /s/ Christopher J. Nassetta

Christopher J. Nassetta

President and Chief Executive Officer

(Principal Executive Officer)

February 6, 2025

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Kevin J. Jacobs, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2024 of Hilton Worldwide Holdings 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 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 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.

By: /s/ Kevin J. Jacobs

Kevin J. Jacobs

Chief Financial Officer and President, Global Development

(Principal Financial Officer)

February 6, 2025

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

In connection with the Annual Report on Form 10-K of Hilton Worldwide Holdings Inc. (the "Company") for the fiscal year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher J. Nassetta, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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.

By: /s/ Christopher J. Nassetta

Christopher J. Nassetta
President and Chief Executive Officer
(Principal Executive Officer)

February 6, 2025

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002

In connection with the Annual Report on Form 10-K of Hilton Worldwide Holdings Inc. (the "Company") for the fiscal year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin J. Jacobs, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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.

By: /s/ Kevin J. Jacobs

Kevin J. Jacobs
Chief Financial Officer and President, Global Development
(Principal Financial Officer)

February 6, 2025

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.