# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
# Washington, DC 20549

## Form 10-Q

**(Mark One)**

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

**For the quarterly period ended March 31, 2019**

**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 No. 001-34521**

# HYATT HOTELS CORPORATION

**(Exact Name of Registrant as Specified in Its Charter)**

| | |
|---|---|
| **Delaware** | **20-1480589** |
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(I.R.S. Employer Identification No.)** |
| **150 North Riverside Plaza 8th Floor, Chicago, Illinois** | **60606** |
| **(Address of Principal Executive Offices)** | **(Zip Code)** |

**(312) 750-1234**
**(Registrant's Telephone Number, Including Area Code)**

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

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Class A common stock | H | New York Stock Exchange |

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 and post 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At April 26, 2019, there were 38,217,414 shares of the registrant's Class A common stock, $0.01 par value, outstanding and 67,115,828 shares of the registrant's Class B common stock, $0.01 par value, outstanding.

**HYATT HOTELS CORPORATION**
**QUARTERLY REPORT ON FORM 10-Q**
**FOR THE PERIOD ENDED MARCH 31, 2019**

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## PART I. FINANCIAL INFORMATION

**Item 1.** ***Financial Statements.***

### HYATT HOTELS CORPORATION AND SUBSIDIARIES
### CONDENSED CONSOLIDATED STATEMENTS OF INCOME
### (In millions of dollars, except per share amounts)
### (Unaudited)

| | Three Months Ended | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **REVENUES:** | | |
| Owned and leased hotels | $ 470 | $ 515 |
| Management, franchise, and other fees | 141 | 132 |
| Amortization of management and franchise agreement assets constituting payments to customers | (5) | (5) |
| Net management, franchise, and other fees | 136 | 127 |
| Other revenues | 45 | 11 |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | 590 | 456 |
| Total revenues | 1,241 | 1,109 |
| **DIRECT AND SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:** | | |
| Owned and leased hotels | 357 | 384 |
| Depreciation and amortization | 80 | 83 |
| Other direct costs | 45 | 8 |
| Selling, general, and administrative | 128 | 95 |
| Costs incurred on behalf of managed and franchised properties | 605 | 460 |
| Direct and selling, general, and administrative expenses | 1,215 | 1,030 |
| Net gains and interest income from marketable securities held to fund rabbi trusts | 30 | 3 |
| Equity losses from unconsolidated hospitality ventures | (3) | (13) |
| Interest expense | (19) | (19) |
| Gains on sales of real estate | 1 | 529 |
| Asset impairments | (3) | — |
| Other income (loss), net | 51 | (18) |
| INCOME BEFORE INCOME TAXES | 83 | 561 |
| PROVISION FOR INCOME TAXES | (20) | (150) |
| NET INCOME | 63 | 411 |
| NET INCOME AND ACCRETION ATTRIBUTABLE TO NONCONTROLLING INTERESTS | — | — |
| **NET INCOME ATTRIBUTABLE TO HYATT HOTELS CORPORATION** | **$ 63** | **$ 411** |
| **EARNINGS PER SHARE — Basic** | | |
| Net income | $ 0.60 | $ 3.47 |
| Net income attributable to Hyatt Hotels Corporation | $ 0.60 | $ 3.47 |
| **EARNINGS PER SHARE — Diluted** | | |
| Net income | $ 0.59 | $ 3.40 |
| Net income attributable to Hyatt Hotels Corporation | $ 0.59 | $ 3.40 |

See accompanying Notes to condensed consolidated financial statements.

# HYATT HOTELS CORPORATION AND SUBSIDIARIES
## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
## (In millions of dollars)
## (Unaudited)

| | Three Months Ended | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Net income | $ 63 | $ 411 |
| Other comprehensive income (loss), net of taxes: | | |
| Foreign currency translation adjustments, net of tax expense of $- for the three months ended March 31, 2019 and March 31, 2018 | (6) | 23 |
| Unrealized losses on derivative activity, net of tax benefit of $(1) and $- for the three months ended March 31, 2019 and March 31, 2018, respectively | (4) | — |
| Other comprehensive income (loss) | (10) | 23 |
| COMPREHENSIVE INCOME | 53 | 434 |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS | — | — |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO HYATT HOTELS CORPORATION | $ 53 | $ 434 |

See accompanying Notes to condensed consolidated financial statements.

**HYATT HOTELS CORPORATION AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(In millions of dollars, except share and per share amounts)**
**(Unaudited)**

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 547 | $ 570 |
| Restricted cash | 24 | 33 |
| Short-term investments | 54 | 116 |
| Receivables, net of allowances of $30 and $26 at March 31, 2019 and December 31, 2018, respectively | 472 | 427 |
| Inventories | 14 | 14 |
| Prepaids and other assets | 156 | 149 |
| Prepaid income taxes | 35 | 36 |
| Total current assets | 1,302 | 1,345 |
| Equity method investments | 230 | 233 |
| Property and equipment, net | 3,605 | 3,608 |
| Financing receivables, net of allowances | 17 | 13 |
| Operating lease right-of-use assets | 507 | — |
| Goodwill | 320 | 283 |
| Intangibles, net | 481 | 628 |
| Deferred tax assets | 173 | 180 |
| Other assets | 1,400 | 1,353 |
| TOTAL ASSETS | $ 8,035 | $ 7,643 |
| **LIABILITIES AND EQUITY** | | |
| CURRENT LIABILITIES: | | |
| Current maturities of long-term debt | $ 131 | $ 11 |
| Accounts payable | 174 | 151 |
| Accrued expenses and other current liabilities | 263 | 361 |
| Current contract liabilities | 395 | 388 |
| Accrued compensation and benefits | 108 | 150 |
| Current operating lease liabilities | 34 | — |
| Total current liabilities | 1,105 | 1,061 |
| Long-term debt | 1,621 | 1,623 |
| Long-term contract liabilities | 454 | 442 |
| Long-term operating lease liabilities | 405 | — |
| Other long-term liabilities | 822 | 840 |
| Total liabilities | 4,407 | 3,966 |
| Commitments and contingencies (see Note 13) | | |
| EQUITY: | | |
| Preferred stock, $0.01 par value per share, 10,000,000 shares authorized and none outstanding at March 31, 2019 and December 31, 2018 | — | — |
| Class A common stock, $0.01 par value per share, 1,000,000,000 shares authorized, 38,401,176 issued and outstanding at March 31, 2019, and Class B common stock, $0.01 par value per share, 399,110,240 shares authorized, 67,115,828 shares issued and outstanding at March 31, 2019. Class A common stock, $0.01 par value per share, 1,000,000,000 shares authorized, 39,507,817 issued and outstanding at December 31, 2018, and Class B common stock, $0.01 par value per share, 399,110,240 shares authorized, 67,115,828 shares issued and outstanding at December 31, 2018 | 1 | 1 |
| Additional paid-in capital | — | 50 |
| Retained earnings | 3,831 | 3,819 |
| Accumulated other comprehensive loss | (210) | (200) |
| Total stockholders' equity | 3,622 | 3,670 |
| Noncontrolling interests in consolidated subsidiaries | 6 | 7 |
| Total equity | 3,628 | 3,677 |
| TOTAL LIABILITIES AND EQUITY | $ 8,035 | $ 7,643 |

See accompanying Notes to condensed consolidated financial statements.

**HYATT HOTELS CORPORATION AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In millions of dollars)**
**(Unaudited)**

| | Three Months Ended | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | $ 63 | $ 411 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Gains on sales of real estate | (1) | (529) |
| Depreciation and amortization | 80 | 83 |
| Release of contingent consideration liability | (25) | — |
| Amortization of share awards | 21 | 18 |
| Deferred income taxes | 1 | (10) |
| Equity losses from unconsolidated hospitality ventures | 3 | 13 |
| Amortization of management and franchise agreement assets constituting payments to customers | 5 | 5 |
| Working capital changes and other | (134) | 63 |
| Net cash provided by operating activities | 13 | 54 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of marketable securities and short-term investments | (67) | (97) |
| Proceeds from marketable securities and short-term investments | 123 | 104 |
| Contributions to equity method and other investments | (7) | (10) |
| Return of equity method and other investments | — | 12 |
| Acquisitions, net of cash acquired | (15) | — |
| Capital expenditures | (66) | (60) |
| Proceeds from sales of real estate, net of cash disposed | — | 992 |
| Other investing activities | (7) | (6) |
| Net cash provided by (used in) investing activities | (39) | 935 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from debt | 120 | 20 |
| Repayments of debt | (1) | (21) |
| Repurchases of common stock | (102) | (75) |
| Repayments of redeemable noncontrolling interest in preferred shares in a subsidiary | — | (10) |
| Dividends paid | (20) | (18) |
| Other financing activities | (2) | (5) |
| Net cash used in financing activities | (5) | (109) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH | — | (3) |
| NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH | (31) | 877 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—BEGINNING OF YEAR | 622 | 752 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—END OF PERIOD | $ 591 | $ 1,629 |

See accompanying Notes to condensed consolidated financial statements.

**Supplemental disclosure of cash flow information:**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Cash and cash equivalents | $ 547 | $ 1,160 |
| Restricted cash (1) | 24 | 450 |
| Restricted cash included in other assets (1) | 20 | 19 |
| Total cash, cash equivalents, and restricted cash | $ 591 | $ 1,629 |

(1) Restricted cash generally represents sales proceeds pursuant to like-kind exchanges, captive insurance subsidiary requirements, debt service on bonds, escrow deposits, and other arrangements.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Cash paid during the period for interest | $ 39 | $ 35 |
| Cash paid during the period for income taxes | $ 10 | $ 10 |
| Cash paid for amounts included in the measurement of operating lease liabilities | $ 13 | $ — |
| Non-cash investing and financing activities are as follows: | | |
| Non-cash contributions to equity method investments | $ — | $ 4 |
| Non-cash issuance of financing receivables | $ 1 | $ — |
| Change in accrued capital expenditures | $ 1 | $ 1 |

See accompanying Notes to condensed consolidated financial statements.

## HYATT HOTELS CORPORATION AND SUBSIDIARIES
## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
### (In millions of dollars)
### (Unaudited)

| | Total | Common Stock Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Loss | Noncontrolling Interests in Consolidated Subsidiaries |
|---|---|---|---|---|---|---|
| **BALANCE—January 1, 2018** | **$ 3,839** | **$ 1** | **$ 967** | **$ 3,118** | **$ (253)** | **$ 6** |
| Total comprehensive income | 434 | — | — | 411 | 23 | — |
| Repurchase of common stock | (75) | — | (75) | — | — | — |
| Employee stock plan issuance | 1 | — | 1 | — | — | — |
| Share-based payment activity | 13 | — | 13 | — | — | — |
| Cash dividends of $0.15 per share (see Note 14) | (18) | — | — | (18) | — | — |
| **BALANCE—March 31, 2018** | **$ 4,194** | **$ 1** | **$ 906** | **$ 3,511** | **$ (230)** | **$ 6** |
| | | | | | | |
| **BALANCE—January 1, 2019** | **$ 3,677** | **$ 1** | **$ 50** | **$ 3,819** | **$ (200)** | **$ 7** |
| Total comprehensive income | 53 | — | — | 63 | (10) | — |
| Noncontrolling interests | (1) | — | — | — | — | (1) |
| Repurchase of common stock | (102) | — | (71) | (31) | — | — |
| Employee stock plan issuance | 1 | — | 1 | — | — | — |
| Share-based payment activity | 20 | — | 20 | — | — | — |
| Cash dividends of $0.19 per share (see Note 14) | (20) | — | — | (20) | — | — |
| **BALANCE—March 31, 2019** | **$ 3,628** | **$ 1** | **$ —** | **$ 3,831** | **$ (210)** | **$ 6** |

See accompanying Notes to condensed consolidated financial statements.

**HYATT HOTELS CORPORATION AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(amounts in millions of dollars, unless otherwise indicated)**
**(Unaudited)**

## 1 . ORGANIZATION

Hyatt Hotels Corporation, a Delaware corporation, and its consolidated subsidiaries (collectively "Hyatt Hotels Corporation") provide hospitality and other services on a worldwide basis through the development, ownership, operation, management, franchising, and licensing of hospitality and wellness-related businesses. We develop, own, operate, manage, franchise, license, or provide services to a portfolio of properties, consisting of full service hotels, select service hotels, resorts, and other properties, including branded spas and fitness studios, timeshare, fractional, and other forms of residential, vacation, and condominium ownership units. At March 31, 2019 , (i) we operated or franchised 423 full service hotels, comprising 149,149 rooms throughout the world, (ii) we operated or franchised 433 select service hotels, comprising 61,310 rooms, of which 374 hotels are located in the United States, and (iii) our portfolio included 6 franchised all-inclusive Hyatt-branded resorts, comprising 2,402 rooms, and 3 destination wellness resorts, comprising 410 rooms. At March 31, 2019 , our portfolio of properties operated in 61 countries around the world. Additionally, through strategic relationships, we provide certain reservation and/or loyalty program services to hotels that are unaffiliated with our hotel portfolio and which operate under other tradenames or marks owned by such hotel or licensed by third parties.

As used in these Notes and throughout this Quarterly Report on Form 10-Q , (i) the terms "Hyatt," "Company," "we," "us," or "our" mean Hyatt Hotels Corporation and its consolidated subsidiaries, (ii) the term "properties" refers to hotels, resorts, and other properties, including branded spas and fitness studios, and residential, vacation, and condominium ownership units that we develop, own, operate, manage, franchise, or to which we provide services or license our trademarks, (iii) "Hyatt portfolio of properties" or "portfolio of properties" refers to hotels and other properties that we develop, own, operate, manage, franchise, license, or provide services to, including under the Park Hyatt, Miraval, Grand Hyatt, Alila, Andaz, The Unbound Collection by Hyatt, Destination, Hyatt Regency, Hyatt, Hyatt Ziva, Hyatt Zilara, Thompson, Hyatt Centric, Hyatt House, Hyatt Place, Joie de Vivre, tommie, Exhale, and Hyatt Residence Club brands, (iv) the term "worldwide hotel portfolio" includes our full and select service hotels, and (v) the term "worldwide property portfolio" includes our wellness and all-inclusive resorts, branded spas and fitness studios, and residential, vacation, and condominium ownership units in addition to our worldwide hotel portfolio.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information or footnotes required by GAAP for complete annual financial statements. As a result, this Quarterly Report on Form 10-Q should be read in conjunction with the Consolidated Financial Statements and accompanying Notes in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the " 2018 Form 10-K ").

We have eliminated all intercompany accounts and transactions in our condensed consolidated financial statements. We consolidate entities under our control, including entities where we are deemed to be the primary beneficiary.

Management believes the accompanying condensed consolidated financial statements reflect all adjustments, which are all of a normal recurring nature, considered necessary for a fair presentation of the interim periods.

## 2 . RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

### Adopted Accounting Standards

*Leases* —In February 2016, the FASB released Accounting Standards Update No. 2016-02 ("ASU 2016-02"), *Leases (Topic 842)* . ASU 2016-02 requires lessees to record lease contracts on the balance sheet by recognizing a right-of-use asset ("ROU") and lease liability with certain practical expedients available. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make fixed minimum lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of fixed minimum lease payments over the lease term, including optional periods for which it is reasonably certain the renewal option will be exercised.

In July 2018, the FASB released Accounting Standards Update No. 2018-11 ("ASU 2018-11"), *Leases (Topic 842): Targeted Improvements* , providing entities with an additional optional transition method. The provisions of ASU 2016-02, and all related ASUs, are effective for interim periods and fiscal years beginning after December 15, 2018, with early adoption permitted.

We adopted ASU 2016-02 utilizing the optional transition approach under ASU 2018-11 and applied the package of practical expedients beginning January 1, 2019. As a result of applying the optional transition approach, our reporting for periods prior to January 1, 2019 continue to be reported in accordance with *Leases (Topic 840)* .

We elected the following additional practical expedients: (i) for office space, land, and hotel leases, we have not separated the lease and nonlease components, which primarily relate to common area maintenance and utilities, (ii) we combine lease and nonlease components for those leases where we are the lessor, and (iii) for all leases that are twelve months or less, we excluded these short-term leases from the ROU assets and lease liabilities.

For leases that were in place upon adoption, we used the remaining lease term as of January 1, 2019 in determining the incremental borrowing rate ("IBR"). For the initial measurement of the lease liabilities for leases commencing after January 1, 2019, the IBR at the lease commencement date was applied.

For operating leases, the adoption of ASU 2016-02 resulted in the initial recognition of ROU assets of $512 million and related lease liabilities of $452 million on our condensed consolidated balance sheets. Upon adoption, we reclassified $103 million of below market lease related intangibles and $49 million of deferred rent and other lease liabilities to the operating ROU assets. The net tax impact upon adoption was insignificant. The adoption of ASU 2016-02 did not significantly impact our accounting for finance leases or for those leases where we are the lessor. Additionally, ASU 2016-02 did not materially affect our condensed consolidated statements of income or our condensed consolidated statements of cash flows.

The impact on our condensed consolidated balance sheet upon adoption of ASU 2016-02 was as follows:

| | December 31, 2018 | January 1, 2019 | |
|---|---|---|---|
| | **As reported** | **Effect of the adoption of ASU 2016-02** | **As adjusted** |
| **ASSETS** | | | |
| Prepaids and other assets | $ 149 | $ (2) | $ 147 |
| Intangibles, net | 628 | (103) | 525 |
| Other assets | 1,353 | (7) | 1,346 |
| Operating lease right-of-use assets | — | 512 | 512 |
| TOTAL ASSETS | $ 7,643 | $ 400 | $ 8,043 |
| **LIABILITIES AND EQUITY** | | | |
| Accounts payable | $ 151 | $ (1) | $ 150 |
| Accrued expenses and other current liabilities | 361 | (2) | 359 |
| Current operating lease liabilities | — | 34 | 34 |
| Long-term operating lease liabilities | — | 418 | 418 |
| Other long-term liabilities | 840 | (49) | 791 |
| Total liabilities | 3,966 | 400 | 4,366 |
| Total equity | 3,677 | — | 3,677 |
| TOTAL LIABILITIES AND EQUITY | $ 7,643 | $ 400 | $ 8,043 |

*Intangibles - Goodwill and Other - Internal-Use Software* —In August 2018, the FASB released Accounting Standards Update No. 2018-15 ("ASU 2018-15"), *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* . ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The provisions of ASU 2018-15 are to be applied using a prospective or retrospective approach and are effective for interim periods and fiscal years beginning after December 15, 2019, with early adoption permitted. We early adopted ASU 2018-15 on January 1, 2019 on a prospective basis which did not materially impact our condensed consolidated financial statements.

**Future Adoption of Accounting Standards**

*Financial Instruments - Credit Losses* —In June 2016, the FASB released Accounting Standards Update No. 2016-13 ("ASU 2016-13"), *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* . ASU 2016-13 replaces the existing impairment model for most financial assets from an incurred loss impairment model to a current expected credit loss model, which requires an entity to recognize an impairment allowance equal to its current estimate of all contractual cash flows the entity does not expect to collect. ASU 2016-13 also requires credit losses relating to available-for-sale ("AFS") debt securities to be recognized through an allowance for credit losses. The provisions of ASU 2016-13 are to be applied using a modified retrospective approach and are effective for interim periods and fiscal years beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the impact of adopting ASU 2016-13.

*Fair Value Measurement* —In August 2018, the FASB released Accounting Standards Update No. 2018-13 ("ASU 2018-13"), *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* . ASU 2018-13 modifies the disclosure requirements on fair value measurements. The provisions of ASU 2018-13 are to be applied using a prospective or retrospective approach, depending on the amendment and are effective for interim periods and fiscal years beginning after December 15, 2019, with early adoption permitted. We are currently evaluating the impact of adopting ASU 2018-13.

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## 3 . REVENUE FROM CONTRACTS WITH CUSTOMERS

### Disaggregated Revenues

The following tables present our revenues disaggregated by the nature of the product or service:

| | Three Months Ended March 31, 2019 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Owned and leased hotels | Americas management and franchising | ASPAC management and franchising | EAME/SW Asia management and franchising | Corporate and other | Eliminations | Total |
| Rooms revenues | $ 266 | $ — | $ — | $ — | $ 7 | $ (7) | $ 266 |
| Food and beverage | 157 | — | — | — | 3 | — | 160 |
| Other | 35 | — | — | — | 9 | — | 44 |
| Owned and leased hotels | 458 | — | — | — | 19 | (7) | 470 |
| Base management fees | — | 57 | 12 | 8 | — | (14) | 63 |
| Incentive management fees | — | 14 | 17 | 8 | — | (5) | 34 |
| Franchise fees | — | 32 | — | — | — | — | 32 |
| Other fees | — | — | 3 | 2 | 1 | — | 6 |
| License fees | — | — | — | — | 6 | — | 6 |
| Management, franchise, and other fees | — | 103 | 32 | 18 | 7 | (19) | 141 |
| Amortization of management and franchise agreement assets constituting payments to customers | — | (4) | — | (1) | — | — | (5) |
| Net management, franchise, and other fees | — | 99 | 32 | 17 | 7 | (19) | 136 |
| Other revenues | — | 36 | — | — | 9 | — | 45 |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | — | 548 | 24 | 17 | 1 | — | 590 |
| Total | $ 458 | $ 683 | $ 56 | $ 34 | $ 36 | $ (26) | $ 1,241 |

| | Three Months Ended March 31, 2018 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Owned and leased hotels | Americas management and franchising | ASPAC management and franchising | EAME/SW Asia management and franchising | Corporate and other | Eliminations | Total |
| Rooms revenues | $ 297 | $ — | $ — | $ — | $ 7 | $ (9) | $ 295 |
| Food and beverage | 172 | — | — | — | 2 | — | 174 |
| Other | 38 | — | — | — | 8 | — | 46 |
| Owned and leased hotels | 507 | — | — | — | 17 | (9) | 515 |
| Base management fees | — | 49 | 11 | 7 | — | (14) | 53 |
| Incentive management fees | — | 13 | 17 | 10 | — | (6) | 34 |
| Franchise fees | — | 28 | — | — | — | — | 28 |
| Other fees | — | 8 | 2 | 1 | 1 | — | 12 |
| License fees | — | — | — | — | 5 | — | 5 |
| Management, franchise, and other fees | — | 98 | 30 | 18 | 6 | (20) | 132 |
| Amortization of management and franchise agreement assets constituting payments to customers | — | (3) | (1) | (1) | — | — | (5) |
| Net management, franchise, and other fees | — | 95 | 29 | 17 | 6 | (20) | 127 |
| Other revenues | — | — | — | — | 9 | 2 | 11 |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | — | 420 | 20 | 16 | — | — | 456 |
| Total | $ 507 | $ 515 | $ 49 | $ 33 | $ 32 | $ (27) | $ 1,109 |

**Contract Balances**

Our contract assets were $3 million and insignificant at March 31, 2019 and December 31, 2018 , respectively. At March 31, 2019 , the contract assets were included in receivables, net. As our profitability hurdles are generally calculated on a full-year basis, we expect our contract asset balance to be insignificant at year end.

Our contract liabilities were as follows:

| | March 31, 2019 | December 31, 2018 | $ Change | % Change |
|---|---|---|---|---|
| Current contract liabilities | $ 395 | $ 388 | $ 7 | 1.6% |
| Long-term contract liabilities | 454 | 442 | 12 | 2.7% |
| Total contract liabilities | $ 849 | $ 830 | $ 19 | 2.2% |

Contract liabilities are comprised of the following:

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Deferred revenue related to the loyalty program | $ 621 | $ 596 |
| Advanced deposits | 73 | 81 |
| Initial fees received from franchise owners | 35 | 35 |
| Deferred revenue related to system-wide services | 8 | 7 |
| Other deferred revenue | 112 | 111 |
| Total contract liabilities | $ 849 | $ 830 |

Revenue recognized during the three months ended March 31, 2019 and March 31, 2018 , included in the contract liabilities balance at the beginning of each year was $228 million and $224 million , respectively. This revenue primarily relates to advanced deposits and the loyalty program, which is recognized net of redemption reimbursements paid to third parties.

**Revenue Allocated to Remaining Performance Obligations**

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. Contracted revenue expected to be recognized in future periods was approximately $125 million at March 31, 2019 , of which we expect to recognize approximately 20% as revenue over the next 12 months and the remainder thereafter.

We did not estimate revenues expected to be recognized related to our unsatisfied performance obligations for the following:

- Deferred revenue related to the loyalty program and revenue from base and incentive management fees as the revenue is allocated to a wholly unperformed performance obligation in a series;
- Revenues related to royalty fees as they are considered sales-based royalty fees;
- Revenues received for free nights granted through our co-branded credit cards as the awards are required to be redeemed within 12 months; and
- Revenues related to advanced bookings at owned and leased hotels as each stay has a duration of 12 months or less.

## 4 . DEBT AND EQUITY SECURITIES

**Equity Method Investments**

Equity method investments were $230 million and $233 million at March 31, 2019 and December 31, 2018 , respectively.

During the three months ended March 31, 2018 , we recognized an $8 million gain in equity losses from unconsolidated hospitality ventures on our condensed consolidated statements of income resulting from the sale of our ownership interest in an equity method investment within our owned and leased hotels segment and received $9 million of proceeds.

During the three months ended March 31, 2018 , we recognized $16 million of impairment charges as a result of the buyout of our partner's interest in unconsolidated hospitality ventures in Brazil, which was initiated in the first quarter of 2018 and closed subsequent to March 31, 2018 . The pending acquisition indicated a carrying value in excess of fair value which was determined to be a Level Three fair value measure and was deemed other-than-temporary. We recognized the impairment charges in equity losses from unconsolidated hospitality ventures on our condensed consolidated statements of income.

The following table presents summarized financial information for all unconsolidated hospitality ventures in which we hold an investment accounted for under the equity method:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Total revenues | $ 116 | $ 132 |
| Gross operating profit | 39 | 39 |
| Loss from continuing operations | (10) | (19) |
| Net loss | (10) | (19) |

**Marketable Securities**

We hold marketable securities with readily determinable fair values to fund certain operating programs and for investment purposes. Additionally, we periodically transfer available cash and cash equivalents to purchase marketable securities for investment purposes.

*Marketable Securities Held to Fund Operating Programs* —Marketable securities held to fund operating programs, which are recorded at fair value and included on our condensed consolidated balance sheets, were as follows:

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Loyalty program (Note 9) | $ 422 | $ 397 |
| Deferred compensation plans held in rabbi trusts (Note 9 and Note 11) | 413 | 367 |
| Captive insurance companies | 152 | 133 |
| Total marketable securities held to fund operating programs | $ 987 | $ 897 |
| Less: current portion of marketable securities held to fund operating programs included in cash and cash equivalents, short-term investments, and prepaids and other assets | (219) | (174) |
| Marketable securities held to fund operating programs included in other assets | $ 768 | $ 723 |

Net realized and unrealized gains (losses) and interest income from marketable securities held to fund the loyalty program are recognized in other income (loss), net on our condensed consolidated statements of income:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Loyalty program (Note 19) | $ 9 | $ (4) |

Net realized and unrealized gains (losses) and interest income from marketable securities held to fund rabbi trusts are recognized in net gains and interest income from marketable securities held to fund rabbi trusts on our condensed consolidated statements of income:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Unrealized gains (losses) | $ 28 | $ (1) |
| Realized gains | 2 | 4 |
| Net gains and interest income from marketable securities held to fund rabbi trusts | $ 30 | $ 3 |

Our captive insurance companies hold marketable securities which are classified as AFS debt securities and are invested in U.S. government agencies, time deposits, and corporate debt securities. We classify these investments as current or long-term, based on their contractual maturity dates, which range from 2019 through 2024.

*Marketable Securities Held for Investment Purposes* —Marketable securities held for investment purposes, which are recorded at fair value and included on our condensed consolidated balance sheets, were as follows:

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Common shares of Playa N.V. | $ 93 | $ 87 |
| Interest-bearing money market funds | 42 | 14 |
| Time deposits | 37 | 100 |
| Total marketable securities held for investment purposes | $ 172 | $ 201 |
| Less: current portion of marketable securities held for investment purposes included in cash and cash equivalents and short-term investments | (79) | (114) |
| Marketable securities held for investment purposes included in other assets | $ 93 | $ 87 |

We hold common shares of Playa Hotels & Resorts N.V. ("Playa N.V.") which are accounted for as an equity security with a readily determinable fair value as we do not have the ability to significantly influence the operations of the entity. The fair value of the common shares is classified as Level One in the fair value hierarchy as we are able to obtain market available pricing information. The remeasurement of our investment at fair value resulted in $6 million of unrealized gains and $7 million of unrealized losses recognized in other income (loss), net on our condensed consolidated statements of income for the three months ended March 31, 2019 and March 31, 2018 , respectively (see Note 19 ). We did not sell any shares of common stock during the three months ended March 31, 2019 .

**Other Investments**

*Held-to-Maturity Debt Securities* —At March 31, 2019 and December 31, 2018 , we held $52 million and $49 million , respectively, of investments in held-to-maturity ("HTM") debt securities, which are investments in third-party entities that own certain of our hotels and are recorded within other assets on our condensed consolidated balance sheets. The securities are mandatorily redeemable between 2020 and 2025. The amortized cost of our investments approximates fair value. We estimated the fair value of our investments using internally developed discounted cash flow models based on current market inputs for similar types of arrangements. Based upon the lack of available market data, our investments are classified as Level Three within the fair value hierarchy. The primary sensitivity in these calculations is based on the selection of appropriate discount rates. Fluctuations in these assumptions could result in different estimates of fair value.

*Equity Securities Without a Readily Determinable Fair Value* —At March 31, 2019 and December 31, 2018 , we held $9 million of investments in equity securities without a readily determinable fair value, which represent investments in entities where we do not have the ability to significantly influence the operations of the entity. These investments are recorded within other assets on our condensed consolidated balance sheets.

**Fair Value** —We measured the following financial assets at fair value on a recurring basis:

| | March 31, 2019 | Cash and cash equivalents | Short-term investments | Prepaids and other assets | Other assets |
|---|---|---|---|---|---|
| **Level One - Quoted Prices in Active Markets for Identical Assets** | | | | | |
| Interest-bearing money market funds | $ 149 | $ 149 | $ — | $ — | $ — |
| Mutual funds | 413 | — | — | — | 413 |
| Common shares | 93 | — | — | — | 93 |
| **Level Two - Significant Other Observable Inputs** | | | | | |
| Time deposits | 51 | — | 41 | — | 10 |
| U.S. government obligations | 177 | — | — | 42 | 135 |
| U.S. government agencies | 51 | — | 2 | 8 | 41 |
| Corporate debt securities | 154 | — | 11 | 28 | 115 |
| Mortgage-backed securities | 24 | — | — | 6 | 18 |
| Asset-backed securities | 45 | — | — | 11 | 34 |
| Municipal and provincial notes and bonds | 2 | — | — | — | 2 |
| **Total** | $ 1,159 | $ 149 | $ 54 | $ 95 | $ 861 |

| | December 31, 2018 | Cash and cash equivalents | Short-term investments | Prepaids and other assets | Other assets |
|---|---|---|---|---|---|
| **Level One - Quoted Prices in Active Markets for Identical Assets** | | | | | |
| Interest-bearing money market funds | $ 88 | $ 88 | $ — | $ — | $ — |
| Mutual funds | 367 | — | — | — | 367 |
| Common shares | 87 | — | — | — | 87 |
| **Level Two - Significant Other Observable Inputs** | | | | | |
| Time deposits | 113 | — | 104 | — | 9 |
| U.S. government obligations | 169 | — | — | 37 | 132 |
| U.S. government agencies | 52 | — | 2 | 7 | 43 |
| Corporate debt securities | 151 | — | 10 | 25 | 116 |
| Mortgage-backed securities | 23 | — | — | 5 | 18 |
| Asset-backed securities | 46 | — | — | 10 | 36 |
| Municipal and provincial notes and bonds | 2 | — | — | — | 2 |
| **Total** | $ 1,098 | $ 88 | $ 116 | $ 84 | $ 810 |

During the three months ended March 31, 2019 and March 31, 2018 , there were no transfers between levels of the fair value hierarchy. We do not have non-financial assets or non-financial liabilities required to be measured at fair value on a recurring basis.

## 5 . FINANCING RECEIVABLES

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Unsecured financing to hotel owners | $ 167 | $ 159 |
| Less: current portion of financing receivables, included in receivables, net | (47) | (45) |
| Less: allowance for losses | (103) | (101) |
| Total long-term financing receivables, net of allowances | $ 17 | $ 13 |

**Allowance for Losses and Impairments** —The following table summarizes the activity in our unsecured financing receivables allowance:

| | 2019 | 2018 |
|---|---|---|
| Allowance at January 1 | $ 101 | $ 108 |
| Provisions | 2 | 2 |
| Other adjustments | — | (1) |
| Allowance at March 31 | $ 103 | $ 109 |

**Credit Monitoring** —Our unsecured financing receivables were as follows:

| | March 31, 2019 | | | |
|---|---|---|---|---|
| | Gross loan balance (principal and interest) | Related allowance | Net financing receivables | Gross receivables on non-accrual status |
| Loans | $ 64 | $ — | $ 64 | $ — |
| Impaired loans (1) | 50 | (50) | — | 50 |
| Total loans | 114 | (50) | 64 | 50 |
| Other financing arrangements | 53 | (53) | — | 53 |
| Total unsecured financing receivables | $ 167 | $ (103) | $ 64 | $ 103 |

(1) The unpaid principal balance was $37 million and the average recorded loan balance was $50 million at March 31, 2019 .

| | December 31, 2018 | | | |
|---|---|---|---|---|
| | Gross loan balance (principal and interest) | Related allowance | Net financing receivables | Gross receivables on non-accrual status |
| Loans | $ 58 | $ — | $ 58 | $ — |
| Impaired loans (2) | 50 | (50) | — | 50 |
| Total loans | 108 | (50) | 58 | 50 |
| Other financing arrangements | 51 | (51) | — | 51 |
| Total unsecured financing receivables | $ 159 | $ (101) | $ 58 | $ 101 |

(2) The unpaid principal balance was $36 million and the average recorded loan balance was $54 million at December 31, 2018 .

**Fair Value** —We estimated the fair value of financing receivables, which are classified as Level Three in the fair value hierarchy, to be approximately $64 million and $59 million at March 31, 2019 and December 31, 2018 , respectively.

## 6 . ACQUISITIONS AND DISPOSITIONS

### Acquisitions

*Land* —During the three months ended March 31, 2019 , we acquired $15 million of land through an asset acquisition from an unrelated third party.

*Two Roads Hospitality LLC* —During the year ended December 31, 2018 , we acquired all of the outstanding equity interests of Two Roads Hospitality LLC ("Two Roads") in a business combination for a purchase price of $405 million . The transaction also included potential additional consideration including (i) up to $96 million if the sellers completed specific actions with respect to certain of the acquired management agreements within 120 days from the date of acquisition and (ii) up to $8 million in the event of the execution of certain potential new management agreements related to the development of certain potential new deals previously identified and generated by the sellers or affiliates of the sellers within one year of the closing of the transaction. One of the sellers is indirectly owned by a limited partnership affiliated with the brother of our Executive Chairman.

We closed on the transaction on November 30, 2018 and paid cash of $415 million , net of $37 million cash acquired. Cash paid at closing is inclusive of a $36 million payment of the aforementioned additional consideration and a $4 million receipt of other purchase price adjustments. Related to the $68 million of potential additional consideration, we recorded a $57 million contingent liability in accrued expenses and other current liabilities on our condensed consolidated balance sheet at December 31, 2018 , which represented our estimate of the remaining expected consideration to be paid.

Net assets acquired were determined as follows:

| | | |
|---|---|---|
| Cash paid, net of cash acquired | $ | 415 |
| Cash acquired | | 37 |
| Contingent consideration liability | | 57 |
| Net assets acquired at December 31, 2018 | $ | 509 |
| Post-acquisition working capital adjustments | | (2) |
| Net assets acquired at March 31, 2019 | $ | 507 |

As it relates to the $57 million contingent consideration liability recorded at December 31, 2018, the following occurred during the three months ended March 31, 2019 :

- The sellers completed the aforementioned specific actions with regards to certain management agreements. As a result, Hyatt owes $23 million of additional consideration to the sellers, which is primarily recorded in accounts payable on our condensed consolidated balance sheet at March 31, 2019 .
- For those management agreements where the specific actions were not completed, we released $25 million of the contingent liability to other income (loss), net on our condensed consolidated statements of income (see Note 19).
- For certain other management agreements, we extended the terms beyond the initial 120 day period and retained $9 million of the contingent liability at March 31, 2019 .

The acquisition includes management and license agreements for operating and pipeline hotels primarily across North America and Asia under five hospitality brands. Our condensed consolidated balance sheets at March 31, 2019 and December 31, 2018 reflect preliminary estimates of the fair value of the assets acquired and liabilities assumed. The fair values are based on information that was available as of the date of acquisition and are estimated using discounted future cash flow models and relief from royalty method, which include revenue projections based on the expected contract terms and long-term growth rates, which are classified as Level Three in the fair value hierarchy.

At March 31, 2019 , the estimated fair values of assets and liabilities were revised as we refined our analysis of contract terms and renewal assumptions which affected the underlying cash flows in the valuation. This primarily resulted in a $33 million reduction in indefinite-lived intangibles with an offsetting increase in goodwill on our condensed consolidated balance sheet at March 31, 2019 . We continue to evaluate the underlying inputs and assumptions used in our valuation and accordingly, these estimates are subject to change during the one year measurement period.

The following table summarizes the preliminary fair value of the identifiable net assets acquired at March 31, 2019 :

| | | |
|---|---|---|
| Cash | $ | 37 |
| Receivables | | 20 |
| Other current assets | | 2 |
| Equity method investment | | 2 |
| Property and equipment | | 2 |
| Indefinite-lived intangibles (1) | | 97 |
| Management agreement intangibles (2) | | 209 |
| Goodwill (3) | | 191 |
| Other assets (4) | | 26 |
| Total assets | $ | 586 |
| | | |
| Advanced deposits | $ | 25 |
| Other current liabilities | | 20 |
| Other long-term liabilities (4) | | 34 |
| Total liabilities | | 79 |
| Total net assets acquired | $ | 507 |

(1) Includes intangibles attributable to the Destination, Alila, and Thompson brands.
(2) Amortized over useful lives of 1 to 19 years, with a weighted-average useful life of approximately 13 years.
(3) The goodwill, of which $154 million is tax deductible, is attributable to the growth opportunities Hyatt expects to realize by expanding into new markets and enhancing guest experiences through a distinctive collection of lifestyle brands and is recorded in the Americas management and franchising segment.
(4) Includes $14 million of prior year tax liabilities relating to certain foreign filing positions, including $5 million of interest and penalties. We recorded an offsetting indemnification asset which we expect to collect under contractual arrangements.

**Dispositions**

*Grand Hyatt San Francisco, Andaz Maui at Wailea Resort, and Hyatt Regency Coconut Point Resort and Spa* —During the three months ended March 31, 2018 , we sold Grand Hyatt San Francisco, Andaz Maui at Wailea Resort together with adjacent land, and Hyatt Regency Coconut Point Resort and Spa to an unrelated third party as a portfolio for approximately $992 million , net of closing costs and proration adjustments, and accounted for the transaction as an asset disposition. We entered into long-term management agreements for the properties upon sale. The sale resulted in a $529 million pre-tax gain which was recognized in gains on sales of real estate on our condensed consolidated statements of income during the three months ended March 31, 2018 . The operating results and financial position of these hotels prior to the sale remain within our owned and leased hotels segment. Although we concluded the disposal of these properties does not qualify as discontinued operations, the disposal is considered to be material. Pre-tax net income attributable to the three properties was $15 million during the three months ended March 31, 2018 .

**Like-Kind Exchange Agreements**

Periodically, we enter into like-kind exchange agreements upon the disposition or acquisition of certain properties. Pursuant to the terms of these agreements, the proceeds from the sales are placed into an escrow account administered by a qualified intermediary and are unavailable for our use until released. The proceeds are recorded as restricted cash on our condensed consolidated balance sheets and released (i) if they are utilized as part of a like-kind exchange agreement, (ii) if we do not identify a suitable replacement property within 45 days after the agreement date, or (iii) when a like-kind exchange agreement is not completed within the remaining allowable time period.

In conjunction with the sale of Hyatt Regency Coconut Point Resort and Spa during the three months ended March 31, 2018, proceeds of $221 million were held as restricted for use in a potential like-kind exchange. Subsequently, $198 million of these proceeds were utilized to acquire two properties in 2018 and the remaining $23 million were released.

## 7. LEASES

**Lessee** —We primarily lease land, buildings, office space, spas and fitness centers, and equipment. We determine if an arrangement is an operating or finance lease at inception. For our hotel management agreements, we apply judgment in order to determine whether the contract is accounted for as a lease or as a management agreement based on the specific facts and circumstances of each agreement. In evaluating whether an agreement constitutes a lease, we review the contractual terms to determine which party obtains both the economic benefits and control of the assets. In arrangements where we control the assets and obtain the economic benefits, we account for the contract as a lease.

Certain of our leases include options to extend the lease term by 1 to 99 years. We include lease extension options in our operating ROU assets and lease liabilities when it is reasonably certain that we will exercise the options. The range of extension options included in our operating ROU assets and lease liabilities is approximately 1 to 20 years. Our lease agreements do not contain any significant residual value guarantees or restrictive covenants.

As our leases do not provide an implicit borrowing rate, we estimate our IBR based on the present value of our lease payments and apply a portfolio approach.

Our operating leases may include the following terms: (i) fixed minimum lease payments, (ii) variable lease payments based on a percentage of the hotel's profitability measure, as defined in the lease, (iii) lease payments equal to the greater of a minimum or variable lease payments based on a percentage of the hotel's profitability measure, as defined in the lease, or (iv) lease payments adjusted for changes in an index or market value. Future lease payments that are contingent are not included in the measurement of the operating lease liability or in the future maturities table below.

Total rent expense related to short-term leases and finance leases was insignificant for the three months ended March 31, 2019 . A summary of rent expense for operating leases is as follows:

| | Three Months Ended March 31, 2019 |
|---|---|
| Minimum rentals | $ 11 |
| Contingent rentals | 32 |
| Total operating lease expense | $ 43 |

Supplemental balance sheet information related to finance leases is as follows:

| | March 31, 2019 |
|---|---|
| Property and equipment, net (1) | $ 10 |
| Current maturities of long-term debt | 2 |
| Long-term debt | 10 |
| Total finance lease liabilities | $ 12 |

(1) Finance lease assets are net of $14 million of accumulated amortization.

Weighted-average remaining lease terms and discount rates are as follows:

| | March 31, 2019 |
|---|---|
| Weighted-average remaining lease term in years | |
| Operating leases (1) | 22 |
| Finance leases | 7 |
| | |
| Weighted-average discount rate | |
| Operating leases | 3.8% |
| Finance leases | 1.1% |

(1) Certain of our hotel and land leases have nominal rent or contingent rental payments. As such, this results in a lower weighted-average remaining lease term.

The maturities of lease liabilities in accordance with *Leases (Topic 842)* in each of the next five years and thereafter at March 31, 2019 are as follows:

| | Operating leases | Finance leases |
|---|---|---|
| 2019 (remaining) | $ 40 | $ 2 |
| 2020 | 45 | 3 |
| 2021 | 43 | 2 |
| 2022 | 41 | 2 |
| 2023 | 38 | 2 |
| Thereafter | 444 | 5 |
| Total minimum lease payments | $ 651 | $ 16 |
| Less: amount representing interest | (212) | (4) |
| Present value of minimum lease payments | $ 439 | $ 12 |

The future minimum lease payments from our 2018 Form 10-K as filed in accordance with *Leases (Topic 840)* in each of the next five years and thereafter are as follows:

| Years ending December 31, | Operating leases | Capital leases |
|---|---|---|
| 2019 | $ 46 | $ 3 |
| 2020 | 42 | 3 |
| 2021 | 42 | 2 |
| 2022 | 38 | 2 |
| 2023 | 35 | 2 |
| Thereafter | 448 | 5 |
| Total minimum lease payments | $ 651 | $ 17 |
| Less: amount representing interest | | (5) |
| Present value of minimum lease payments | | $ 12 |

**Lessor** —We lease retail space under operating leases at our owned hotel locations. Rental payments are primarily fixed with certain variable payments based on a contractual percentage of revenues. We recognized rental income within owned and leased hotels revenues on our condensed consolidated statements of income as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Rental income | $ 7 | $ 7 |

The future minimum lease receipts in accordance with *Leases (Topic 842)* scheduled to be received in each of the next five years and thereafter at March 31, 2019 are as follows:

| | |
|---|---|
| 2019 (remaining) | $ 18 |
| 2020 | 18 |
| 2021 | 16 |
| 2022 | 15 |
| 2023 | 11 |
| Thereafter | 48 |
| Total minimum lease receipts | $ 126 |

The future minimum lease receipts from our 2018 Form 10-K as filed in accordance with *Leases (Topic 840)* scheduled to be received in each of the next five years and thereafter are as follows:

| Years ending December 31, | |
|---|---|
| 2019 | $ 22 |
| 2020 | 18 |
| 2021 | 16 |
| 2022 | 15 |
| 2023 | 11 |
| Thereafter | 48 |
| Total minimum lease receipts | $ 130 |

**8 . INTANGIBLES, NET**

| | March 31, 2019 | Weighted-average useful lives in years | December 31, 2018 |
|---|---|---|---|
| Management and franchise agreement intangibles | $ 384 | 18 | $ 390 |
| Lease related intangibles | — | — | 121 |
| Brand and other indefinite-lived intangibles | 150 | — | 180 |
| Advanced booking intangibles | 14 | 6 | 14 |
| Other definite-lived intangibles | 8 | 6 | 8 |
| Intangibles | 556 | | 713 |
| Less: accumulated amortization | (75) | | (85) |
| Intangibles, net | $ 481 | | $ 628 |

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Amortization expense | $ 3 | $ 3 |

**9 . OTHER ASSETS**

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Marketable securities held to fund rabbi trusts (Note 4) | $ 413 | $ 367 |
| Management and franchise agreement assets constituting payments to customers (1) | 391 | 396 |
| Marketable securities held to fund the loyalty program (Note 4) | 302 | 303 |
| Long-term investments | 113 | 112 |
| Common shares of Playa N.V. (Note 4) | 93 | 87 |
| Other | 88 | 88 |
| Total other assets | $ 1,400 | $ 1,353 |

(1) Includes cash consideration as well as other forms of consideration provided, such as debt repayment or performance guarantees.

**10 . DEBT**

Long-term debt, net of current maturities was $1,621 million and $ 1,623 million at March 31, 2019 and December 31, 2018 , respectively.

**Revolving Credit Facility** —During the three months ended March 31, 2018, we refinanced our $1.5 billion senior unsecured revolving credit facility with a syndicate of lenders, extending the maturity of the facility to January 2023. During the three months ended March 31, 2019 , we borrowed $120 million on our revolving credit facility at a weighted-average interest rate of 3.53% . At March 31, 2019 and December 31, 2018 , we had $120 million and no balance outstanding, respectively. At March 31, 2019 , we had $1.4 billion available on our revolving credit facility.

**Fair Value** —We estimated the fair value of debt, excluding finance leases, which consists of $250 million of 5.375% senior notes due 2021 (the "2021 Notes"), $350 million of 3.375% senior notes due 2023 (the "2023 Notes"), $400 million of 4.850% senior notes due 2026 (the "2026 Notes"), and $400 million of 4.375% senior notes due 2028 (the "2028 Notes"), collectively referred to as the "Senior Notes," bonds, and other long-term debt. Our Senior Notes and bonds are classified as Level Two due to the use and weighting of multiple market inputs in the final price of the security. We estimated the fair value of other debt instruments using a discounted cash flow analysis based on current market inputs for similar types of arrangements. Based upon the lack of available market data, we have classified our revolving credit facility and other debt instruments as Level Three. The primary sensitivity in these calculations is based on the selection of appropriate discount rates. Fluctuations in these assumptions will result in different estimates of fair value.

| | March 31, 2019 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Fair value | Quoted prices in active markets for identical assets (Level One) | Significant other observable inputs (Level Two) | Significant unobservable inputs (Level Three) |
| Debt (1) | $ 1,756 | $ 1,813 | $ — | $ 1,628 | $ 185 |

(1) Excludes $12 million of finance lease obligations and $16 million of unamortized discounts and deferred financing fees.

| | December 31, 2018 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Fair value | Quoted prices in active markets for identical assets (Level One) | Significant other observable inputs (Level Two) | Significant unobservable inputs (Level Three) |
| Debt (2) | $ 1,638 | $ 1,651 | $ — | $ 1,584 | $ 67 |

(2) Excludes $12 million of capital lease obligations and $16 million of unamortized discounts and deferred financing fees.

**Interest Rate Locks** —At March 31, 2019 , we have one outstanding interest rate lock with a $200 million notional value and a mandatory settlement date of 2021. The interest rate lock hedges a portion of the risk of changes in the benchmark interest rate associated with long-term debt we anticipate issuing in the future. This derivative instrument was designated as a cash flow hedge and deemed highly effective both at inception and at March 31, 2019 .

## 11 . OTHER LONG-TERM LIABILITIES

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Deferred compensation plans funded by rabbi trusts (Note 4) | $ 413 | $ 367 |
| Taxes payable | 136 | 131 |
| Self-insurance liabilities (Note 13) | 78 | 78 |
| Guarantee liabilities (Note 13) | 53 | 76 |
| Deferred income taxes | 48 | 54 |
| Other | 94 | 134 |
| Total other long-term liabilities | $ 822 | $ 840 |

## 12 . INCOME TAXES

The effective income tax rates for the three months ended March 31, 2019 and March 31, 2018 were 23.5% and 26.7% , respectively. Our effective tax rate decreased for the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , primarily due to a benefit recognized during the three months ended March 31, 2019 to adjust certain foreign deferred tax liabilities, which is partially offset by the earnings impact on the effective tax rate of the portfolio sale of Grand Hyatt San Francisco, Andaz Maui at Wailea Resort, and Hyatt Regency Coconut Point Resort and Spa recognized during the three months ended March 31, 2018 .

Unrecognized tax benefits were $116 million at March 31, 2019 and December 31, 2018 , of which $12 million and $15 million , respectively, would impact the effective tax rate, if recognized.

We are currently under field exam by the Internal Revenue Service ("IRS") for tax years 2015 through 2017. U.S. tax years 2009 through 2011 are before the U.S. Tax Court concerning the tax treatment of the loyalty program, and U.S. tax years 2012 through 2014 are at IRS appeals level for the carryover effect of the issue currently in U.S. Tax Court. If the IRS' position to include loyalty program contributions as taxable income to the Company is upheld, it would result in an income tax payment of $182 million (including $38 million of estimated interest, net of federal tax benefit) for all assessed years that would be partially offset by a deferred tax asset. As future tax benefits will be recognized at the reduced U.S. corporate income tax rate, $63 million of the payment and related interest would have an impact on the effective tax rate, if recognized. We believe we have an adequate uncertain tax liability recorded in connection with this matter.

## 13 . COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, we enter into various commitments, guarantees, surety bonds, and letter of credit agreements, which are discussed below:

**Commitments** —At March 31, 2019 , we are committed, under certain conditions, to lend or invest up to $433 million , net of any related letters of credit, in various business ventures, including a commitment to purchase land and a to-be-constructed hotel located in Portland, Oregon from the developer for a remaining purchase price of approximately $141 million upon substantial completion of construction.

**Performance Guarantees** —Certain of our contractual agreements with third-party hotel owners require us to guarantee payments to the owners if specified levels of operating profit are not achieved by their hotels.

Our most significant performance guarantee relates to four managed hotels in France that we began managing in the second quarter of 2013 ("the four managed hotels in France"), which has a term of seven years and approximately one and one-quarter years remaining. This guarantee has a maximum cap, but does not have an annual cap. The remaining maximum exposure related to our performance guarantees at March 31, 2019 was $260 million , of which €180 million ( $202 million using exchange rates at March 31, 2019 ) related to the four managed hotels in France.

We had $46 million and $47 million of total net performance guarantee liabilities at March 31, 2019 and December 31, 2018 , respectively, which included $21 million and $25 million recorded in other long-term liabilities and $25 million and $22 million in accrued expenses and other current liabilities on our condensed consolidated balance sheets, respectively.

| | The four managed hotels in France | | Other performance guarantees | | All performance guarantees | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Beginning balance, January 1 | $ 36 | $ 58 | $ 11 | $ 13 | $ 47 | $ 71 |
| Initial guarantee obligation liability | — | — | 1 | — | 1 | — |
| Amortization of initial guarantee obligation liability into income | (4) | (4) | — | (1) | (4) | (5) |
| Performance guarantee expense, net | 20 | 27 | 1 | 1 | 21 | 28 |
| Net payments during the period | (16) | (23) | (3) | (1) | (19) | (24) |
| Foreign currency exchange, net | — | 2 | — | — | — | 2 |
| Ending balance, March 31 | $ 36 | $ 60 | $ 10 | $ 12 | $ 46 | $ 72 |

Additionally, we enter into certain management contracts where we have the right, but not an obligation, to make payments to certain hotel owners if their hotels do not achieve specified levels of operating profit. If we choose not to fund the shortfall, the hotel owner has the option to terminate the management contract. At March 31, 2019 and December 31, 2018 , there were no amounts recognized on our condensed consolidated balance sheets related to these performance test clauses.

**Debt Repayment and Other Guarantees** —We enter into various debt repayment and other guarantees in order to assist property owners and unconsolidated hospitality ventures in obtaining third-party financing or to obtain more favorable borrowing terms. Included within debt repayment and other guarantees are the following:

| Property description | Maximum potential future payments | Maximum exposure net of recoverability from third parties | Other long-term liabilities recorded at March 31, 2019 | Other long-term liabilities recorded at December 31, 2018 | Year of guarantee expiration |
|---|---|---|---|---|---|
| Hotel properties in India (1) | $ 174 | $ 174 | $ 9 | $ 10 | 2020 |
| Hotel property in Massachusetts (2), (5) | 95 | 16 | 8 | 8 | various, through 2022 |
| Hotel and residential properties in Brazil (2), (3) | 95 | 40 | 3 | 3 | various, through 2023 |
| Hotel property in Oregon (2), (4) | 50 | 6 | 3 | 4 | various, through 2022 |
| Hotel properties in California (2) | 31 | 13 | 4 | 4 | various, through 2021 |
| Hotel property in Arizona (2), (3) | 25 | — | — | 1 | 2019 |
| Other (2), (6) | 22 | 11 | 5 | 21 | various, through 2022 |
| Total | $ 492 | $ 260 | $ 32 | $ 51 | |

(1) Debt repayment guarantee is denominated in Indian rupees and translated using exchange rates at March 31, 2019 . We have the contractual right to recover amounts funded from an unconsolidated hospitality venture, which is a related party. We expect our maximum exposure to be $87 million , taking into account our partner's 50% ownership interest in the unconsolidated hospitality venture. Under certain events or conditions, we have the right to force the sale of the properties in order to recover amounts funded.
(2) We have agreements with our unconsolidated hospitality venture partners, the respective hotel owners, or other third parties to recover certain amounts funded under the debt repayment guarantee; the recoverability mechanism may be in the form of cash, financing receivable, or HTM debt security.
(3) If certain funding thresholds are met or if certain events occur, we have the ability to assume control of the property . With respect to properties in Brazil, this right only exists for the residential property.
(4) We are subject to a completion guarantee whereby the parties agree to substantially complete the construction of the project by a specified date. In the event of default, we are obligated to complete construction using the funds available from the outstanding loan. Any additional funds paid by us are subject to partial recovery in the form of cash. At March 31, 2019 , the maximum potential future payments and maximum exposure net of recoverability from third parties under the completion guarantee are $35 million and zero , respectively.
(5) We are subject to a completion guarantee whereby the parties agree to substantially complete the construction of the project by a specified date. In the event of default, we are obligated to complete construction using the funds available from the outstanding loan. Any additional funds paid by us are subject to partial recovery in the form of cash. At March 31, 2019 , the maximum potential future payments and maximum exposure net of recoverability from third parties under the completion guarantee are $68 million and $2 million , respectively.
(6) At December 31, 2018 , other-long term liabilities included a debt repayment guarantee for a hotel property in Washington State. During the three months ended March 31, 2019 , the debt was refinanced, and we are no longer a guarantor. As a result, we recognized a $15 million release of our debt repayment guarantee liability in other income (loss), net on our condensed consolidated statements of income for the three months ended March 31, 2019 (see Note 19 ).

At March 31, 2019 , we are not aware of, nor have we received notification that hotel owners are not current on their debt service obligations where we have provided a debt repayment guarantee.

**Guarantee Liabilities Fair Value** —We estimated the fair value of our guarantees to be $111 million and $128 million at March 31, 2019 and December 31, 2018 , respectively. Based upon the lack of available market data, we have classified our guarantees as Level Three in the fair value hierarchy.

**Insurance** —We obtain commercial insurance for potential losses for general liability, workers' compensation, automobile liability, employment practices, crime, property, cyber risk, and other miscellaneous coverages. A portion of the risk is retained on a self-insurance basis primarily through U.S.-based and licensed captive insurance companies that are wholly owned subsidiaries of Hyatt and generally insure our deductibles and retentions. Reserve requirements are established based on actuarial projections of ultimate losses. Reserves for losses in our captive insurance companies to be paid within 12 months are $38 million at both March 31, 2019 and December 31, 2018 and are classified within accrued expenses and other current liabilities on our condensed consolidated balance sheets, while reserves for losses in our captive insurance companies to be paid in future periods are $78 million at both March 31, 2019 and December 31, 2018 and are included in other long-term liabilities on our condensed consolidated balance sheets.

**Collective Bargaining Agreements** —At March 31, 2019 , approximately 22% of our U.S.-based employees were covered by various collective bargaining agreements, generally providing for basic pay rates, working hours, other conditions of employment, and orderly settlement of labor disputes. Certain employees are covered by union-sponsored, multi-employer pension and health plans pursuant to agreements between us and various unions. Generally, labor relations have been maintained in a normal and satisfactory manner, and we believe our employee relations are good.

**Surety Bonds** —Surety bonds issued on our behalf were $37 million at March 31, 2019 and primarily relate to workers' compensation, taxes, licenses, construction liens, and utilities related to our lodging operations.

**Letters of Credit** —Letters of credit outstanding on our behalf at March 31, 2019 were $283 million , which relate to our ongoing operations, hotel properties under development in the U.S., including one unconsolidated hospitality venture, collateral for estimated insurance claims, and securitization of our performance under our debt repayment guarantees associated with the hotel properties in India and the residential property in Brazil, which are only called upon if we default on our guarantees. The letters of credit outstanding do not reduce the available capacity under our revolving credit facility (see Note 10 ).

**Capital Expenditures** —As part of our ongoing business operations, significant expenditures are required to complete renovation projects that have been approved.

**Other** —We act as general partner of various partnerships owning hotel properties that are subject to mortgage indebtedness. These mortgage agreements generally limit the lender's recourse to security interests in assets financed and/or other assets of the partnership(s) and/or the general partner(s) thereof.

In conjunction with financing obtained for our unconsolidated hospitality ventures, certain managed hotels, and other properties, we may provide standard indemnifications to the lender for loss, liability, or damage occurring as a result of our actions or actions of the other unconsolidated hospitality venture partners, respective hotel owners, or other third parties.

As a result of certain dispositions, we have agreed to provide customary indemnifications to third-party purchasers for certain liabilities incurred prior to sale and for breach of certain representations and warranties made during the sales process, such as representations of valid title, authority, and environmental issues that may not be limited by a contractual monetary amount. These indemnification agreements survive until the applicable statutes of limitation expire or until the agreed upon contract terms expire.

We are subject, from time to time, to various claims and contingencies related to lawsuits, taxes, and environmental matters, as well as commitments under contractual obligations. Many of these claims are covered under our current insurance programs, subject to deductibles. Although the ultimate liability for these matters cannot be determined at this point, based on information currently available, we do not expect the ultimate resolution of such claims and litigation to have a material effect on our condensed consolidated financial statements.

During the year ended December 31, 2018, we received a notice from the Indian tax authorities assessing additional service tax on our operations in India. We appealed this decision and do not believe a loss is probable, and therefore, we have not recognized a liability in connection with this matter. At March 31, 2019, our maximum exposure is not expected to exceed $18 million .

## 14 . EQUITY

### Accumulated Other Comprehensive Loss

| | Balance at January 1, 2019 | Current period other comprehensive income (loss) before reclassification | Amount reclassified from accumulated other comprehensive loss | Balance at March 31, 2019 |
|---|---|---|---|---|
| Foreign currency translation adjustments | $ (191) | $ (6) | $ — | $ (197) |
| Unrecognized pension cost | (5) | — | — | (5) |
| Unrealized losses on derivative instruments | (4) | (4) | — | (8) |
| Accumulated other comprehensive loss | $ (200) | $ (10) | $ — | $ (210) |

| | Balance at January 1, 2018 | Current period other comprehensive income (loss) before reclassification | Amount reclassified from accumulated other comprehensive loss | Balance at March 31, 2018 |
|---|---|---|---|---|
| Foreign currency translation adjustments | $ (243) | $ 23 | $ — | $ (220) |
| Unrecognized pension cost | (7) | — | — | (7) |
| Unrealized losses on derivative instruments | (3) | — | — | (3) |
| Accumulated other comprehensive income (loss) | $ (253) | $ 23 | $ — | $ (230) |

**Share Repurchase** — During 2018 and 2017, our board of directors authorized the repurchase of up to $750 million and $1,250 million , respectively, of our common stock. These repurchases may be made from time to time in the open market, in privately negotiated transactions, or otherwise, including pursuant to a Rule 10b5-1 plan or an accelerated share repurchase transaction, at prices we deem appropriate and subject to market conditions, applicable law, and other factors deemed relevant in our sole discretion. The common stock repurchase program applies to our Class A and Class B common stock. The common stock repurchase program does not obligate us to repurchase any dollar amount or number of shares of common stock and the program may be suspended or discontinued at any time.

During the three months ended March 31, 2019 , we repurchased 1,452,858 shares of common stock. The shares of common stock were repurchased at a weighted-average price of $70.22 per share for an aggregate purchase price of $102 million , excluding related insignificant expenses. The shares repurchased during the three months ended March 31, 2019 represented approximately 1% of our total shares of common stock outstanding at December 31, 2018 .

During the three months ended March 31, 2018 , we repurchased 1,209,987 shares of common stock, including 244,260 shares representing the settlement of an accelerated share repurchase program entered into during the fourth quarter of 2017 ("November 2017 ASR"). The shares of common stock were repurchased at a weighted-average price of $76.89 per share and an aggregate purchase price of $95 million , excluding related insignificant expenses. The aggregate purchase price includes $20 million of shares delivered in the settlement of the November 2017 ASR in 2018, for which payment was made during 2017. The shares repurchased during the three months ended March 31, 2018 represented approximately 1% of our total shares of common stock outstanding at December 31, 2017 .

The shares of Class A common stock repurchased on the open market were retired and returned to the status of authorized and unissued shares. At March 31, 2019 , we had $566 million remaining under the share repurchase authorization.

**Dividend** — During the three months ended March 31, 2019 , we paid $7 million and $13 million of cash dividends to Class A and Class B shareholders of record, respectively. During the three months ended March 31, 2018 , we paid $7 million and $11 million of cash dividends to Class A and Class B shareholders of record, respectively.

| Date declared | Dividend per share amount for Class A and Class B | | Date of record | Date paid |
|---|---|---|---|---|
| February 13, 2019 | $ | 0.19 | February 27, 2019 | March 11, 2019 |
| February 14, 2018 | $ | 0.15 | March 22, 2018 | March 29, 2018 |

## 15 . STOCK-BASED COMPENSATION

As part of our Long- Term Incentive Plan ("LTIP"), we award Stock Appreciation Rights ("SARs"), Restricted Stock Units ("RSUs"), and Performance Share Units ("PSUs") to certain employees. Compensation expense and unearned compensation presented below exclude amounts related to employees of our managed hotels and other employees whose payroll is reimbursed, as this expense has been and will continue to be reimbursed by our third-party hotel owners and is recognized within revenues for the reimbursement of costs incurred on behalf of managed and franchised properties and costs incurred on behalf of managed and franchised properties on our condensed consolidated statements of income. Stock-based compensation expense included in selling, general, and administrative expense on our condensed consolidated statements of income related to these awards was as follows:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | | 2018 | |
| SARs | $ | 10 | $ | 8 |
| RSUs | | 9 | | 9 |
| PSUs | | 1 | | 1 |
| Total | $ | 20 | $ | 18 |

**SARs** —During the three months ended March 31, 2019 , we granted 643,989 SARs to employees with a weighted-average grant date fair value of $17.11 . During the three months ended March 31, 2018 , we granted 465,842 SARs to employees with a weighted-average grant date fair value of $21.13 .

**RSUs** — During the three months ended March 31, 2019 , we granted 332,102 RSUs to employees with a weighted-average grant date fair value of $71.65 . During the three months ended March 31, 2018 , we granted 258,085 RSUs to employees with a weighted-average grant date fair value of $ 80.00 .

**PSUs** —During the three months ended March 31, 2019 , we did no t grant PSUs under our LTIP. During the three months ended March 31, 2018 , we granted 89,441 PSUs to our executive officers, with a weighted-average grant date fair value of $82.10 .

Our total unearned compensation for our stock- based compensation programs at March 31, 2019 was $4 million for SARs, $21 million for RSUs, and $ 4 million for PSUs, which will primarily be recognized in stock-based compensation expense over a weighted-average period of three years with respect to SARs and RSUs, and two years with respect to PSUs.

## 16 . RELATED-PARTY TRANSACTIONS

In addition to those included elsewhere in the Notes to our condensed consolidated financial statements, related- party transactions entered into by us are summarized as follows:

**Legal Services** —A partner in a law firm that provided services to us throughout the three months ended March 31, 2019 and March 31, 2018 is the brother-in-law of our Executive Chairman. We incurred $ 1 million of legal fees with this firm during each of the three months ended March 31, 2019 and March 31, 2018 . At March 31, 2019 and December 31, 2018 , we had $1 million and insignificant amounts due to the law firm, respectively.

**Equity Method Investments** —We have equity method investments in entities that own properties for which we receive management or franchise fees. We recognized $5 million and $ 4 million of fees for the three months ended March 31, 2019 and March 31, 2018 , respectively. At March 31, 2019 and December 31, 2018 , we had $ 10 million and $ 17 million , respectively, of receivables due from these properties. In addition, in some cases we provide loans (see Note 5 ) or guarantees (see Note 13 ) to these entities. During each of the three months ended March 31, 2019 and March 31, 2018 , we recognized $ 1 million of income related to these guarantees. Our ownership interest in these unconsolidated hospitality ventures varies from 24% to 50% . See Note 4 for further details regarding these investments.

**Class B Share Conversion** —During the three months ended March 31, 2018 , 257,194 shares of Class B common stock were converted on a share-for-share basis into shares of our Class A common stock, $0.01 par value per share. A portion of the shares of Class B common stock that were converted into shares of Class A common stock were retired during the three months ended March 31, 2018, and the remaining were retired subsequent to the three months ended March 31, 2018, thereby reducing the shares of Class B common stock authorized and outstanding.

## 17 . SEGMENT INFORMATION

Our reportable segments are components of the business which are managed discretely and for which discrete financial information is reviewed regularly by the chief operating decision maker ("CODM") to assess performance and make decisions regarding the allocation of resources. Our CODM is our President and Chief Executive Officer. We define our reportable segments as follows:

- **Owned and leased hotels** —This segment derives its earnings from owned and leased hotel properties located predominantly in the United States but also in certain international locations and for purposes of segment Adjusted EBITDA, includes our pro rata share of the Adjusted EBITDA of our unconsolidated hospitality ventures, based on our ownership percentage of each venture. Adjusted EBITDA includes intercompany expenses related to management fees paid to the Company's management and franchising segments, which are eliminated in consolidation. Intersegment revenues relate to promotional award redemptions earned by our owned and leased hotels related to our co-branded credit cards and revenues earned under the loyalty program for stays at our owned and leased hotels and are eliminated in consolidation.
- **Americas management and franchising** —This segment derives its earnings primarily from a combination of hotel management and licensing of our portfolio of brands to franchisees located in the United States, Latin America, Canada, and the Caribbean. This segment's revenues also include the reimbursement of costs incurred on behalf of managed and franchised properties. These costs relate primarily to payroll costs at managed properties where the Company is the employer, as well as costs associated with reservations, sales, marketing, technology, and the loyalty program operated on behalf of owners of managed and franchised properties. The intersegment revenues relate to management fees earned from the Company's owned and leased hotels and are eliminated in consolidation.
- **ASPAC management and franchising** —This segment derives its earnings primarily from a combination of hotel management and licensing of our portfolio of brands to franchisees located in Southeast Asia, Greater China, Australia, South Korea, Japan, and Micronesia. This segment's revenues also include the reimbursement of costs incurred on behalf of managed and franchised properties. These costs relate primarily to reservations, sales, marketing, technology, and the loyalty program operated on behalf of owners of managed and franchised properties. The intersegment revenues relate to management fees earned from the Company's owned hotel and are eliminated in consolidation.
- **EAME/SW Asia management and franchising** —This segment derives its earnings primarily from a combination of hotel management and licensing of our portfolio of brands to franchisees located in Europe, Africa, the Middle East, India, Central Asia, and Nepal. This segment's revenues also include the reimbursement of costs incurred on behalf of managed and franchised properties. These costs relate primarily to reservations, sales, marketing, technology, and the loyalty program operated on behalf of owners of managed and franchised properties. The intersegment revenues relate to management fees earned from the Company's owned and leased hotels and are eliminated in consolidation.

Our CODM evaluates performance based on owned and leased hotels revenues, management, franchise, and other fees revenues, and Adjusted EBITDA. Adjusted EBITDA, as we define it, is a non-GAAP measure. We define Adjusted EBITDA as net income attributable to Hyatt Hotels Corporation plus our pro rata share of unconsolidated hospitality ventures Adjusted EBITDA based on our ownership percentage of each venture, adjusted to exclude interest expense; provision for income taxes; depreciation and amortization; amortization of management and franchise agreement assets constituting payments to customers ("Contra revenue"); revenues for the reimbursement of costs incurred on behalf of managed and franchised properties; costs incurred on behalf of managed and franchised properties; equity earnings (losses) from unconsolidated hospitality ventures; stock-based compensation expense; gains (losses) on sales of real estate; asset impairments; and other income (loss), net.

The table below shows summarized consolidated financial information by segment. Included within corporate and other are the results of Miraval and Exhale, Hyatt Residence Club license fees, results related to our co- branded credit cards, and unallocated corporate expenses.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Owned and leased hotels** | | |
| Owned and leased hotels revenues | $ 458 | $ 507 |
| Intersegment revenues (a) | 7 | 9 |
| Adjusted EBITDA | 101 | 113 |
| Depreciation and amortization | 60 | 68 |
| **Americas management and franchising** | | |
| Management, franchise, and other fees revenues | 103 | 98 |
| Contra revenue | (4) | (3) |
| Other revenues | 36 | — |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | 548 | 420 |
| Intersegment revenues (a) | 17 | 18 |
| Adjusted EBITDA | 92 | 87 |
| Depreciation and amortization | 6 | 4 |
| **ASPAC management and franchising** | | |
| Management, franchise, and other fees revenues | 32 | 30 |
| Contra revenue | — | (1) |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | 24 | 20 |
| Intersegment revenues (a) | — | — |
| Adjusted EBITDA | 20 | 18 |
| Depreciation and amortization | 1 | — |
| **EAME/SW Asia management and franchising** | | |
| Management, franchise, and other fees revenues | 18 | 18 |
| Contra revenue | (1) | (1) |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | 17 | 16 |
| Intersegment revenues (a) | 2 | 2 |
| Adjusted EBITDA | 10 | 10 |
| Depreciation and amortization | — | — |
| **Corporate and other** | | |
| Revenues | 35 | 32 |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | 1 | — |
| Intersegment revenues (a) | — | (2) |
| Adjusted EBITDA | (37) | (29) |
| Depreciation and amortization | 13 | 11 |
| **Eliminations** | | |
| Revenues (a) | (26) | (27) |
| Adjusted EBITDA | 1 | 3 |
| **TOTAL** | | |
| Revenues | $ 1,241 | $ 1,109 |
| Adjusted EBITDA | 187 | 202 |
| Depreciation and amortization | 80 | 83 |

(a) Intersegment revenues are included in management, franchise, and other fees revenues, owned and leased hotels revenues, and other revenues and eliminated in Eliminations.

The table below provides a reconciliation of our net income attributable to Hyatt Hotels Corporation to EBITDA and a reconciliation of EBITDA to our consolidated Adjusted EBITDA:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Net income attributable to Hyatt Hotels Corporation** | **$ 63** | **$ 411** |
| Interest expense | 19 | 19 |
| Provision for income taxes | 20 | 150 |
| Depreciation and amortization | 80 | 83 |
| **EBITDA** | **182** | **663** |
| Contra revenue | 5 | 5 |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | (590) | (456) |
| Costs incurred on behalf of managed and franchised properties | 605 | 460 |
| Equity losses from unconsolidated hospitality ventures | 3 | 13 |
| Stock-based compensation expense (Note 15) | 20 | 18 |
| Gains on sales of real estate (Note 6) | (1) | (529) |
| Asset impairments | 3 | — |
| Other (income) loss, net (Note 19) | (51) | 18 |
| Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA | 11 | 10 |
| **Adjusted EBITDA** | **$ 187** | **$ 202** |

## 18 . EARNINGS PER SHARE

The calculation of basic and diluted earnings per share, including a reconciliation of the numerator and denominator, are as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| ***Numerator:*** | | |
| Net income | $ 63 | $ 411 |
| Net income and accretion attributable to noncontrolling interests | — | — |
| Net income attributable to Hyatt Hotels Corporation | $ 63 | $ 411 |
| ***Denominator:*** | | |
| Basic weighted-average shares outstanding | 105,976,163 | 118,652,054 |
| Share-based compensation | 1,543,020 | 2,126,296 |
| Diluted weighted-average shares outstanding | 107,519,183 | 120,778,350 |
| ***Basic Earnings Per Share:*** | | |
| Net income | $ 0.60 | $ 3.47 |
| Net income and accretion attributable to noncontrolling interests | — | — |
| Net income attributable to Hyatt Hotels Corporation | $ 0.60 | $ 3.47 |
| ***Diluted Earnings Per Share:*** | | |
| Net income | $ 0.59 | $ 3.40 |
| Net income and accretion attributable to noncontrolling interests | — | — |
| Net income attributable to Hyatt Hotels Corporation | $ 0.59 | $ 3.40 |

The computations of diluted net income per share for the three months ended March 31, 2019 and March 31, 2018 do not include the following shares of Class A common stock assumed to be issued as stock- settled SARs and RSUs because they are anti- dilutive.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| SARs | 1,400 | — |
| RSUs | 200 | 200 |

## 19 . OTHER INCOME (LOSS), NET

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Release of contingent consideration liability (Note 6) | $ 25 | $ — |
| Release and amortization of debt repayment guarantee liability (Note 13) | 17 | 3 |
| Unrealized gains (losses) (Note 4) | 12 | (12) |
| Interest income (Note 4) | 6 | 5 |
| Depreciation recovery | 6 | 5 |
| Performance guarantee liability amortization (Note 13) | 4 | 5 |
| Performance guarantee expense, net (Note 13) | (21) | (28) |
| Other, net | 2 | 4 |
| Other income (loss), net | $ 51 | $ (18) |

**Item 2.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

*This quarterly report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements about the Company's plans, strategies, financial performance, the amount by which the Company intends to reduce its real estate asset base, and the anticipated time frame for such asset dispositions, prospects, or future events and involve known and unknown risks that are difficult to predict. As a result, our actual results, performance, or achievements may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," "continue," "likely," "will," "would," and variations of these terms and similar expressions, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by us and our management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: the factors discussed in our filings with the SEC, including our Annual Report on Form 10-K; general economic uncertainty in key global markets and a worsening of global economic conditions or low levels of economic growth; the rate and the pace of economic recovery following economic downturns; levels of spending in business and leisure segments as well as consumer confidence; declines in occupancy and average daily rate; limited visibility with respect to future bookings; loss of key personnel; hostilities, or fear of hostilities, including future terrorist attacks, that affect travel; travel-related accidents; natural or man-made disasters such as earthquakes, tsunamis, tornadoes, hurricanes, floods, wildfires, oil spills, nuclear incidents, and global outbreaks of pandemics or contagious diseases or fear of such outbreaks; our ability to successfully achieve certain levels of operating profits at hotels that have performance tests or guarantees in favor of our third-party owners; the impact of hotel renovations and redevelopments; risks associated with our capital allocation plans and common stock repurchase program and other forms of shareholder capital return, including the risk that our common stock repurchase program could increase volatility and fail to enhance shareholder value; our intention to pay a quarterly cash dividend and the amounts thereof, if any; the seasonal and cyclical nature of the real estate and hospitality businesses; changes in distribution arrangements, such as through internet travel intermediaries; changes in the tastes and preferences of our customers; relationships with colleagues and labor unions and changes in labor laws; the financial condition of, and our relationships with, third-party property owners, franchisees, and hospitality venture partners; the possible inability of third-party owners, franchisees, or development partners to access capital necessary to fund current operations or implement our plans for growth; risks associated with potential acquisitions and dispositions and the introduction of new brand concepts; the timing of acquisitions and dispositions, and our ability to successfully integrate completed acquisitions with existing operations; failure to successfully complete proposed transactions (including the failure to satisfy closing conditions or obtain required approvals); our ability to successfully execute on our strategy to expand our management and franchising business while at the same time reducing our real estate asset base within targeted timeframes and at expected values; declines in the value of our real estate assets; unforeseen terminations of our management or franchise agreements; changes in federal, state, local, or foreign tax law; the impact of changes in the tax code as a result of the Tax Cuts and Jobs Act of 2017 and uncertainty as to how some of those changes may be applied; increases in interest rates and operating costs; foreign exchange rate fluctuations or currency restructurings; lack of acceptance of new brands or innovation; general volatility of the capital markets and our ability to access such markets; changes in the competitive environment in our industry, including as a result of industry consolidation, and the markets where we operate; our ability to successfully grow the World of Hyatt loyalty program; cyber incidents and information technology failures; outcomes of legal or administrative proceedings; and violations of regulations or laws related to our franchising business. These factors are not necessarily all of the important factors that could cause our actual results, performance, or achievements to differ materially from those expressed in or implied by any of our forward-looking statements. Other unknown or unpredictable factors also could harm our business, financial condition, results of operations, or cash flows. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date they are made, and we do not undertake or assume any obligation to update publicly any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions, or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.*

*The following discussion should be read in conjunction with the Company's condensed consolidated financial statements and accompanying Notes, which appear elsewhere in this Quarterly Report on Form 10-Q.*

**Executive Overview**

We provide hospitality and other services on a worldwide basis through the development, ownership, operation, management, franchising, and licensing of hospitality and wellness-related businesses. We develop, own, operate, manage, franchise, license, or provide services to a portfolio of properties consisting of full service hotels, select service hotels, resorts, and other properties, including branded spas and fitness studios, and timeshare, fractional, and other forms of residential, vacation and condominium ownership units.

At March 31, 2019 , our worldwide hotel portfolio consisted of 856 full and select service hotels ( 210,459 rooms), including:

- 392 managed properties ( 118,609 rooms), all of which we operate under management and hotel services agreements with third-party property owners;
- 404 franchised properties ( 67,391 rooms), all of which are owned by third parties that have franchise agreements with us and are operated by third parties;
- 30 owned properties ( 14,997 rooms) (including 1 consolidated hospitality venture), 1 finance leased property ( 171 rooms), and 6 operating leased properties ( 2,069 rooms), all of which we manage; and
- 20 managed properties and 3 franchised properties owned or leased by unconsolidated hospitality ventures ( 7,222 rooms).

Our worldwide property portfolio also included:

- 3 destination wellness resorts ( 410 rooms), all of which we own and operate (including 1 consolidated hospitality venture);
- 6 all-inclusive resorts ( 2,402 rooms), all of which are owned by a third party in which we hold common shares and which operates the resorts under franchise agreements with us;
- 16 vacation ownership properties under the Hyatt Residence Club brand and operated by third parties;
- 22 residential properties, which consist of branded residences and serviced apartments. We manage all of the serviced apartments and those branded residential units that participate in a rental program with an adjacent Hyatt-branded hotel; and
- 10 condominium ownership properties for which we provide services for the rental programs or homeowners associations.

Our worldwide property portfolio also included branded spas and fitness studios, comprised of managed and leased locations. Additionally, through strategic relationships, we provide certain reservation and/or loyalty program services to hotels that are unaffiliated with our hotel portfolio and which operate under other tradenames or marks owned by such hotel or licensed by third parties.

We report our consolidated operations in U.S. dollars. Amounts are reported in millions, unless otherwise noted. Percentages may not recompute due to rounding and percentage changes that are not meaningful are presented as "NM". Constant currency disclosures throughout Management's Discussion and Analysis of Financial Condition and Results of Operations are non-GAAP measures. See "—Non-GAAP Measures" for further discussion of constant currency disclosures. We manage our business within four reportable segments as described below:

- Owned and leased hotels, which consists of our owned and leased full service and select service hotels and, for purposes of segment Adjusted EBITDA, our pro rata share of the Adjusted EBITDA of our unconsolidated hospitality ventures, based on our ownership percentage of each venture;
- Americas management and franchising ("Americas"), which consists of our management and franchising of properties located in the United States, Latin America, Canada, and the Caribbean;
- ASPAC management and franchising ("ASPAC"), which consists of our management and franchising of properties located in Southeast Asia, Greater China, Australia, South Korea, Japan, and Micronesia; and
- EAME/SW Asia management and franchising ("EAME/SW Asia"), which consists of our management and franchising of properties located in Europe, Africa, the Middle East, India, Central Asia, and Nepal.

Within corporate and other, we include the results of Miraval and Exhale, Hyatt Residence Club license fees, results from our co- branded credit card, and unallocated corporate expenses. The results of our owned Miraval resorts are reported in owned and leased hotels revenues and owned and leased hotels expenses on our condensed consolidated statements of income. See Part I, Item 1 "Financial Statements—Note 17 to the Condensed Consolidated Financial Statements" for further discussion of our segment structure.

During the quarter ended March 31, 2019 , we returned $102 million of capital to our shareholders through share repurchases and $20 million through our quarterly dividend payment.

Our financial performance for the quarter ended March 31, 2019 reflects a decrease in net income attributable to Hyatt Hotels Corporation of $348 million , compared to the quarter ended March 31, 2018 , driven primarily by the gain on the sales of Grand Hyatt San Francisco, Andaz Maui at Wailea Resort, and Hyatt Regency Coconut Point Resort and Spa in 2018. Consolidated revenues increase d $132 million , or 11.9% ( $140 million or 12.7% , excluding the impact of currency), during the quarter ended March 31, 2019 , compared to the quarter ended March 31, 2018 , driven by the growth of our third-party owned managed and franchised portfolio, specifically the acquisition of Two Roads, partially offset by a decrease in owned and leased hotels revenues due to the disposition of hotel properties in 2018.

Owned and leased hotels revenues for the quarter ended March 31, 2019 decrease d $45 million , compared to the quarter ended March 31, 2018 , driven primarily by disposition activity, partially offset by acquisition activity in 2018.

Our management, franchise, and other fees for the quarter ended March 31, 2019 increase d $9 million , compared to the quarter ended March 31, 2018 , which was driven primarily by the Americas, due to the acquisition of Two Roads, and included a net unfavorable currency impact of $2 million .

Our consolidated Adjusted EBITDA for the quarter ended March 31, 2019 decrease d $15 million , compared to the first quarter of 2018 , which included $3 million net unfavorable currency impact. The decrease was driven primarily by our owned and leased hotels segment which decrease d $12 million due to dispositions in 2018. See "—Non-GAAP Measures" for an explanation of how we utilize Adjusted EBITDA, why we present it, and material limitations on its usefulness, as well as a reconciliation of our net income attributable to Hyatt Hotels Corporation to EBITDA and a reconciliation of EBITDA to consolidated Adjusted EBITDA.

*Hotel Chain Revenue per Available Room ("RevPAR") Statistics.*

| | | RevPAR | |
|---|---|---|---|
| | | Three Months Ended March 31, | |
| **(Comparable locations)** | **Number of comparable hotels (1)** | **2019** | **vs. 2018 (in constant $)** |
| System-wide hotels | 707 | $ 132 | 1.8 % |
| Owned and leased hotels | 33 | $ 174 | 2.7 % |
| Americas full service hotels | 165 | $ 156 | 3.1 % |
| Americas select service hotels | 356 | $ 100 | (1.5)% |
| ASPAC full service hotels | 82 | $ 148 | 1.2 % |
| ASPAC select service hotels | 14 | $ 56 | 14.2 % |
| EAME/SW Asia full service hotels | 74 | $ 119 | 3.0 % |
| EAME/SW Asia select service hotels | 16 | $ 60 | 8.1 % |

(1) The number of comparable hotels presented above includes owned and leased hotels.

System-wide RevPAR increased 1.8% during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , driven by strong group and transient average daily rate ("ADR") performance in the Americas as well as increased demand in certain markets in ASPAC and EAME/SW Asia. Group revenue improved as compared to 2018 as a result of higher ADR. Group revenue booked in 2019 for stays in 2019 is lower as compared to 2018, however group revenue booked in 2019 for stays in future years is higher as compared to 2018. RevPAR related to our owned and leased hotels improved due to increased group ADR in the United States. See "—Segment Results" for discussion of RevPAR by segment.

**Results of Operations**

***Three Months Ended March 31, 2019 Compared with Three Months Ended March 31, 2018***

***Discussion on Consolidated Results***

For additional information regarding our consolidated results, please also refer to our condensed consolidated statements of income included in this quarterly report. The impact from our investments in marketable securities held to fund our deferred compensation plans through rabbi trusts was recorded on the various financial statement line items discussed below and had no impact on net income. See "Net gains and interest income from marketable securities held to fund rabbi trusts" for the allocation of the impact to the various financial statement line items.

*Owned and leased hotels revenues.*

| | Three Months Ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | | Currency impact |
| Comparable owned and leased hotels revenues | $ 434 | $ 430 | $ 4 | 0.8 % | $ (5) |
| Non-comparable owned and leased hotels revenues | 36 | 85 | (49) | (57.8)% | (1) |
| Total owned and leased hotels revenues | $ 470 | $ 515 | $ (45) | (8.9)% | $ (6) |

Owned and leased hotels revenues decreased for the three months ended March 31, 2019 , compared to the same period in the prior year, driven primarily by non-comparable owned and leased hotels revenues related to dispositions, partially offset by acquisitions in 2018. See "—Segment Results" for further discussion of owned and leased hotels revenues.

*Management, franchise, and other fees revenues* .

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Base management fees | $ 63 | $ 53 | $ 10 | 18.2 % |
| Incentive management fees | 34 | 34 | — | 0.3 % |
| Franchise fees | 32 | 28 | 4 | 13.9 % |
| Management and franchise fees | 129 | 115 | 14 | 11.8 % |
| Other fee revenues | 12 | 17 | (5) | (26.3)% |
| Management, franchise, and other fees | $ 141 | $ 132 | $ 9 | 6.9 % |

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Management, franchise, and other fees | $ 141 | $ 132 | $ 9 | 6.9 % |
| Contra revenue | (5) | (5) | — | (4.8)% |
| Net management, franchise, and other fees | $ 136 | $ 127 | $ 9 | 7.0 % |

The increase in management, franchise, and other fees, which included a $2 million net unfavorable currency impact for the three months ended March 31, 2019 , compared to the same period in the prior year, was driven primarily by increases in base fees, most notably in the Americas management and franchising segment due to the acquisition of Two Roads and hotel conversions from owned to managed. Additionally, other fees decreased primarily due to legal settlement proceeds received in 2018 related to a franchise agreement termination for an unopened property in the Americas. See "—Segment Results" for further discussion.

*Other revenues.* Other revenues increased $34 million during the three months ended March 31, 2019 compared to the three months ended March 31, 2018 , primarily due to revenues from the residential management operations acquired as part of Two Roads.

*Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Change | |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | $ 590 | $ 456 | $ 134 | 29.2 % |
| Less: rabbi trust impact | (13) | (2) | (11) | (665.4)% |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties excluding rabbi trust impact | $ 577 | $ 454 | $ 123 | 26.8 % |

Excluding the impact of rabbi trust, revenues for the reimbursement of costs incurred on behalf of managed and franchised properties increase d during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , driven by the growth of our third-party owned full service managed portfolio, specifically higher reimbursements for payroll and related costs, as a result of the acquisition of Two Roads and hotel conversions from owned to managed during 2018.

*Owned and leased hotels expense.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Comparable owned and leased hotels expense | $ 327 | $ 330 | $ 3 | 0.7 % |
| Non-comparable owned and leased hotels expense | 26 | 54 | 28 | 51.6 % |
| Rabbi trust impact | 4 | — | (4) | (591.4)% |
| Total owned and leased hotels expense | $ 357 | $ 384 | $ 27 | 7.0 % |

The decrease in owned and leased hotels expense, which included $5 million net favorable currency impact, during the three months ended March 31, 2019 , compared to the same period in the prior year, was driven primarily by non-comparable owned and leased hotel dispositions, partially offset by acquisitions. See "—Segment Results" for a discussion of the non-comparable owned hotels activity in 2018.

*Other direct costs.* Other direct costs increased $37 million during the three months ended March 31, 2019 compared to the three months ended March 31, 2018 , primarily due to expenses incurred from the residential management operations acquired as part of Two Roads as well as the growth of our co-branded credit card program.

*Selling, general, and administrative expenses.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Change | |
| Selling, general, and administrative expenses | $ 128 | $ 95 | $ 33 | 33.4 % |
| Less: rabbi trust impact | (26) | (3) | (23) | (877.7)% |
| Less: stock-based compensation expense | (20) | (18) | (2) | (6.4)% |
| Adjusted selling, general, and administrative expenses | $ 82 | $ 74 | $ 8 | 9.9 % |

Adjusted selling, general, and administrative expenses exclude the impact of expenses related to deferred compensation plans funded through rabbi trusts and stock-based compensation expense. Adjusted selling, general, and administrative expenses, as we define it, is a non-GAAP measure. See "—Non-GAAP Measures" for further discussion of Adjusted selling, general, and administrative expenses.

Adjusted selling, general, and administrative expenses increased during the three months ended March 31, 2019 , compared to the same period in 2018, primarily due to $9 million of expenses from the acquisition of Two Roads inclusive of $5 million of integration related costs and $4 million of payroll and related costs.

*Costs incurred on behalf of managed and franchised properties.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Change | |
| Costs incurred on behalf of managed and franchised properties | $ 605 | $ 460 | $ 145 | 31.6 % |
| Less: rabbi trust impact | (13) | (2) | (11) | (665.4)% |
| Costs incurred on behalf of managed and franchised properties excluding rabbi trust impact | $ 592 | $ 458 | $ 134 | 29.3 % |

Excluding the impact of rabbi trust, costs incurred on behalf of managed and franchised properties increase d during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , driven by the growth of our third-party owned full service managed portfolio, specifically higher reimbursements for payroll and related costs, as a result of the acquisition of Two Roads and hotel conversions from owned to managed during 2018.

*Net gains and interest income from marketable securities held to fund rabbi trusts.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Rabbi trust impact allocated to selling, general, and administrative expenses | $ 26 | $ 3 | $ 23 | 877.7% |
| Rabbi trust impact allocated to owned and leased hotels expense | 4 | — | 4 | 591.4% |
| Net gains and interest income from marketable securities held to fund rabbi trusts | $ 30 | $ 3 | $ 27 | 822.8% |

Net gains and interest income from marketable securities held to fund rabbi trusts increased during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , driven by the performance of the underlying invested assets.

*Equity losses from unconsolidated hospitality ventures.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Equity losses from unconsolidated hospitality ventures | $ (3) | $ (13) | $ 10 | 78.1% |

The decrease in equity losses during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , was primarily attributable to the following activity in the first quarter of 2018:

- $16 million impairment charge related to certain unconsolidated hospitality ventures in Brazil; we acquired our partner's interest in the unconsolidated hospitality ventures during the second quarter of 2018; and
- $4 million of foreign currency losses at one of our unconsolidated hospitality ventures which holds loans denominated in a currency other than its functional currency.

The decrease was partially offset by an $8 million gain recognized on the sale of our ownership interest in an unconsolidated hospitality venture in 2018.

*Gains on sales of real estate.* During the three months ended March 31, 2018 , we recognized a $529 million pre-tax gain related to the sales of Grand Hyatt San Francisco, Andaz Maui at Wailea Resort, and Hyatt Regency Coconut Point Resort and Spa.

*Other income (loss), net .* Other income (loss), net increase d $69 million during the three months ended March 31, 2019 compared to the same period in the prior year. See Part I, Item 1 "Financial Statements—Note 19 to the Condensed Consolidated Financial Statements" for additional information.

*Provision for income taxes.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Income before income taxes | $ 83 | $ 561 | $ (478) | (85.3)% |
| Provision for income taxes | (20) | (150) | 130 | 87.1 % |
| Effective tax rate | 23.5% | 26.7% | | 3.2 % |

Income tax expense decreased during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , primarily due to a decrease in income before taxes driven by the portfolio sale of Grand Hyatt San Francisco, Andaz Maui at Wailea Resort, and Hyatt Coconut Point Resort and Spa in 2018. The decrease in the effective tax rate is primarily due to a benefit recognized in the first quarter of 2019 to adjust certain deferred tax liabilities, which is partially offset by the earnings impact on the effective tax rate of the aforementioned first quarter of 2018 portfolio sale.

***Segment Results***

We evaluate segment operating performance using owned and leased hotels revenues, management, franchise, and other fees revenues, and Adjusted EBITDA, as described in Part I, Item 1 "Financial Statements—Note 17 to the Condensed Consolidated Financial Statements."

*Owned and leased hotels segment revenues* .

| | Three Months Ended March 31, | | | | |
|---|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | | Currency impact |
| Comparable owned and leased hotels revenues | $ 425 | $ 424 | $ 1 | 0.3 % | $ (5) |
| Non-comparable owned and leased hotels revenues | 33 | 83 | (50) | (60.2)% | (1) |
| Total segment revenues | $ 458 | $ 507 | $ (49) | (9.6)% | $ (6) |

The increase in comparable owned and leased hotels revenues during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , was driven by an increase of $7 million at our hotels in the United States due to improved performance in certain markets, most notably Atlanta which had strong performance during the quarter and benefited from hosting the Super Bowl, as well as the shift of the Easter holiday. The increase was partially offset by a $6 million decrease at our international hotels primarily due to certain hotels under renovation and a net $5 million unfavorable currency impact.

The decrease in non-comparable owned and leased hotels revenues for the three months ended March 31, 2019 , compared to the same period in the prior year, was driven by the dispositions of Andaz Maui at Wailea Resort, Grand Hyatt San Francisco, Hyatt Regency Coconut Point Resort and Spa, and Hyatt Regency Mexico City in 2018, partially offset by the acquisitions of Hyatt Regency Indian Wells Resort & Spa and Hyatt Regency Phoenix in the second half of 2018.

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | RevPAR | | Occupancy | | ADR | |
| | 2019 | vs. 2018 (in constant $) | 2019 | vs. 2018 | 2019 | vs. 2018 (in constant $) |
| Comparable owned and leased hotels | $ 174 | 2.7% | 74.0% | (0.5)% pts | $ 235 | 3.4% |

The increase in comparable RevPAR at our owned and leased hotels during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , was driven primarily by improved group ADR at our full service hotels in the Americas due in part to the aforementioned timing of the Easter holiday and increased RevPAR in the Atlanta market as a result of hosting the Super Bowl. The increase is offset by decreased occupancy at certain hotels undergoing renovations.

During the three months ended March 31, 2019 , no properties were removed from the comparable owned and leased hotels results.

*Owned and leased hotels segment Adjusted EBITDA* .

| | Three Months Ended March 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2019 | | 2018 | | Better / (Worse) | | |
| Owned and leased hotels Adjusted EBITDA | $ | 90 | $ | 103 | $ | (13) | (11.8)% |
| Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA | | 11 | | 10 | | 1 | 8.3 % |
| Segment Adjusted EBITDA | $ | 101 | $ | 113 | $ | (12) | (10.0)% |

Adjusted EBITDA decreased during the three months ended March 31, 2019 , compared to the same period in 2018 , which included a $1 million net unfavorable currency impact. Adjusted EBITDA at our non-comparable owned and leased hotels decreased $17 million driven by the aforementioned dispositions. These decreases were partially offset by increases of $4 million at our comparable owned and leased hotels driven by the aforementioned increases in revenues as well as improved operating margins.

*Americas management and franchising segment revenues* .

| | Three Months Ended March 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2019 | | 2018 | | Better / (Worse) | | |
| Segment revenues | | | | | | | |
| Management, franchise, and other fees | $ | 103 | $ | 98 | $ | 5 | 4.1 % |
| Contra revenue | | (4) | | (3) | | (1) | (12.9)% |
| Other revenues | | 36 | | — | | 36 | NM |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | | 548 | | 420 | | 128 | 30.5 % |
| Total segment revenues | $ | 683 | $ | 515 | $ | 168 | 32.6 % |

Americas management and franchising revenues included an insignificant net unfavorable currency impact during the three months ended March 31, 2019 compared to the same period in the prior year. The increase in management, franchise, and other fees during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , was primarily due to a $9 million increase in management fees as a result of the acquisition of Two Roads and a $4 million increase in franchise fees primarily attributable to new hotels and improved performance. Additionally, management fees increased due to improved performance in certain markets, including Atlanta and certain resort locations outside of the United States. These increases were partially offset by an $8 million decrease due to the aforementioned legal settlement received in 2018.

Other revenues increased $36 million due to revenues from the residential management operations acquired as part of Two Roads.

The increase in revenues for the reimbursement of costs incurred on behalf of managed and franchised properties during the three months ended March 31, 2019 , compared to the same period in the prior year, was driven by the growth of our third-party owned full service managed portfolio, specifically higher reimbursements for payroll and related costs, as a result of the acquisition of Two Roads and hotel conversions from owned to managed during 2018.

| | Three Months Ended March 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | RevPAR | | | Occupancy | | ADR | | |
| (Comparable System-wide Hotels) | 2019 | | vs. 2018 (in constant $) | 2019 | vs. 2018 | 2019 | | vs. 2018 (in constant $) |
| Americas Full Service | $ | 156 | 3.1 % | 71.8% | (0.3)% pts | $ | 217 | 3.4 % |
| Americas Select Service | $ | 100 | (1.5)% | 71.9% | (0.9)% pts | $ | 139 | (0.2)% |

Comparable full service hotels RevPAR increase d during the three months ended March 31, 2019 , compared to the same period in the prior year, driven by improved ADR in the aforementioned markets. RevPAR also benefited from increased group demand due to the aforementioned timing of the Easter holiday.

Comparable select service hotels RevPAR decreased during the three months ended March 31, 2019 , due largely to supply growth in the United States outpacing demand as compared to the same period in the prior year.

During the three months ended March 31, 2019 , no properties were removed from the comparable Americas full and select service system-wide hotel results.

*Americas management and franchising segment Adjusted EBITDA .*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Segment Adjusted EBITDA | $ 92 | $ 87 | $ 5 | 5.3% |

Adjusted EBITDA, which included an insignificant net unfavorable currency impact, increase d during the three months ended March 31, 2019 compared to the three months ended March 31, 2018 . The increase was driven by the aforementioned increase in management, franchise, and other fees and $5 million impact from the residential management operations acquired as part of Two Roads. This increase was partially offset by additional selling, general, and administrative expenses related to Two Roads.

*ASPAC management and franchising segment revenues.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Segment revenues | | | | |
| Management, franchise, and other fees | $ 32 | $ 30 | $ 2 | 6.2% |
| Contra revenue | — | (1) | 1 | 7.8% |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | 24 | 20 | 4 | 19.6% |
| Total segment revenues | $ 56 | $ 49 | $ 7 | 11.8% |

ASPAC management and franchising revenues included a $1 million net unfavorable currency impact during the three months ended March 31, 2019 compared to the three months ended March 31, 2018 . The increase in management, franchise, and other fees was driven by increased management fees related to new hotels and improved performance.

The increase in revenues for the reimbursement of costs incurred on behalf of managed and franchised properties during the three months ended March 31, 2019 , compared to the same period in the prior year, was driven by the overall growth of our third-party owned full and select service portfolio.

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | RevPAR | | Occupancy | | ADR | |
| (Comparable System-wide Hotels) | 2019 | vs. 2018 (in constant $) | 2019 | vs. 2018 | 2019 | vs. 2018 (in constant $) |
| ASPAC Full Service | $ 148 | 1.2% | 71.6% | 0.8% pts | $ 207 | — % |
| ASPAC Select Service | $ 56 | 14.2% | 63.6% | 11.6% pts | $ 87 | (6.7)% |

The increase in comparable full service RevPAR during the three months ended March 31, 2019 , compared to the same period in the prior year, was driven by increased inbound travel and strong demand in Japan and Southeast Asia, partially offset by weaker results in Greater China.

During the three months ended March 31, 2019 , no properties were removed from the comparable ASPAC full and select service system-wide hotel results.

*ASPAC management and franchising segment Adjusted EBITDA.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Segment Adjusted EBITDA | $ 20 | $ 18 | $ 2 | 6.5% |

*EAME/SW Asia management and franchising segment revenues.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Segment revenues | | | | |
| Management, franchise, and other fees | $ 18 | $ 18 | $ — | (2.6)% |
| Contra revenue | (1) | (1) | — | 13.5 % |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | 17 | 16 | 1 | 4.7 % |
| Total segment revenues | $ 34 | $ 33 | $ 1 | 1.3 % |

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | RevPAR | | Occupancy | | ADR | |
| (Comparable System-wide Hotels) | 2019 | vs. 2018 (in constant $) | 2019 | vs. 2018 | 2019 | vs. 2018 (in constant $) |
| EAME/SW Asia Full Service | $ 119 | 3.0% | 67.9% | 2.6% pts | $ 176 | (0.8)% |
| EAME/SW Asia Select Service | $ 60 | 8.1% | 65.8% | 9.2% pts | $ 92 | (7.1)% |

The increase in comparable full service RevPAR during the three months ended March 31, 2019 , compared to the same period in the prior year, was driven by increased occupancy, primarily throughout India and certain European markets, including a benefit from the completion of a full renovation at one hotel in France. The increase was partially offset by lower ADR at certain properties in the Middle East due to the increased supply of hotel rooms.

During the three months ended March 31, 2019 , no properties were removed from the comparable EAME/SW Asia full and select service system-wide hotel results.

*EAME/SW Asia management and franchising segment Adjusted EBITDA.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Segment Adjusted EBITDA | $ 10 | $ 10 | $ — | 0.8% |

*Corporate and other.*

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Better / (Worse) | |
| Revenues | $ 35 | $ 32 | $ 3 | 8.4 % |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | $ 1 | $ — | $ 1 | NM |
| Adjusted EBITDA | $ (37) | $ (29) | $ (8) | (29.6)% |

Corporate and other revenues increased during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , driven primarily by growth in our co-branded credit card program.

Corporate and other Adjusted EBITDA decreased during the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 , primarily due to $6 million of expenses associated with Two Roads inclusive of $5 million of integration related costs.

***Non-GAAP Measures***

*Adjusted Earnings Before Interest Expense, Taxes, Depreciation, and Amortization ("Adjusted EBITDA") and EBITDA*

We use the terms Adjusted EBITDA and EBITDA throughout this quarterly report. Adjusted EBITDA and EBITDA, as we define them, are non-GAAP measures. We define consolidated Adjusted EBITDA as net income attributable to Hyatt Hotels Corporation plus our pro rata share of unconsolidated hospitality ventures Adjusted EBITDA based on our ownership percentage of each venture, adjusted to exclude the following items:

- interest expense;
- provision for income taxes;
- depreciation and amortization;
- amortization of management and franchise agreement assets constituting payments to customers ("Contra revenue");
- revenues for the reimbursement of costs incurred on behalf of managed and franchised properties;
- costs incurred on behalf of managed and franchised properties;
- equity earnings (losses) from unconsolidated hospitality ventures;
- stock-based compensation expense;
- gains (losses) on sales of real estate;
- asset impairments; and
- other income (loss), net .

We calculate consolidated Adjusted EBITDA by adding the Adjusted EBITDA of each of our reportable segments and eliminations to corporate and other Adjusted EBITDA.

Our board of directors and executive management team focus on Adjusted EBITDA as a key performance and compensation measure both on a segment and on a consolidated basis. Adjusted EBITDA assists us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations both on a segment and on a consolidated basis. Our President and Chief Executive Officer, who is our chief operating decision maker, also evaluates the performance of each of our reportable segments and determines how to allocate resources to those segments, in significant part, by assessing the Adjusted EBITDA of each segment. In addition, the compensation committee of our board of directors determines the annual variable compensation for certain members of our management based in part on consolidated Adjusted EBITDA, segment Adjusted EBITDA, or some combination of both.

We believe Adjusted EBITDA is useful to investors because it provides investors the same information that we use internally for purposes of assessing our operating performance and making compensation decisions.

Adjusted EBITDA and EBITDA are not substitutes for net income attributable to Hyatt Hotels Corporation, net income, or any other measure prescribed by GAAP. There are limitations to using non-GAAP measures such as Adjusted EBITDA and EBITDA. Although we believe that Adjusted EBITDA can make an evaluation of our operating performance more consistent because it removes items that do not reflect our core operations, other companies in our industry may define Adjusted EBITDA differently than we do. As a result, it may be difficult to use Adjusted EBITDA or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to our performance. Because of these limitations, Adjusted EBITDA should not be considered as a measure of the income generated by our business. Our management compensates for these limitations by reference to our GAAP results and using Adjusted EBITDA supplementally. See our condensed consolidated statements of income in our condensed consolidated financial statements included elsewhere in this quarterly report.

See below for a reconciliation of net income attributable to Hyatt Hotels Corporation to EBITDA and a reconciliation of EBITDA to consolidated Adjusted EBITDA.

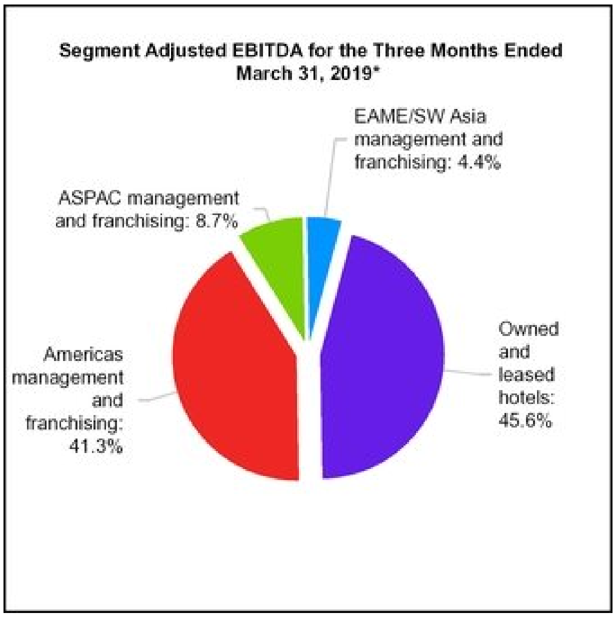
*Adjusted selling, general, and administrative expenses*

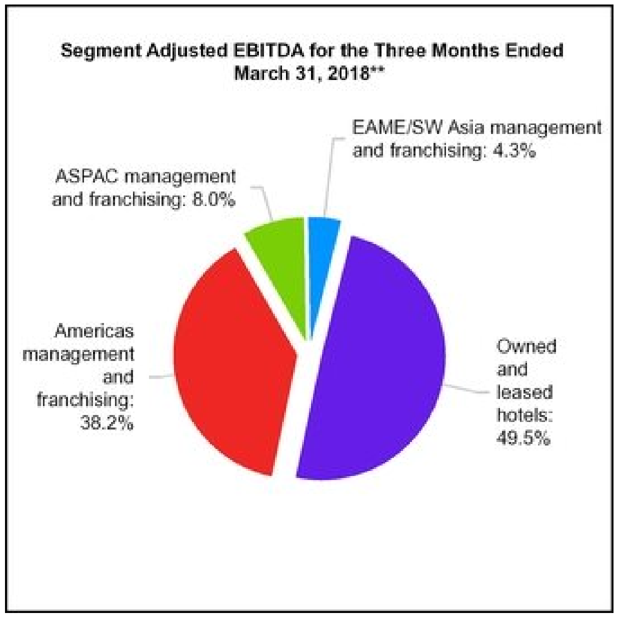
Adjusted selling, general, and administrative expenses, as we define it, is a non-GAAP measure. Adjusted selling, general, and administrative expenses exclude the impact of deferred compensation plans funded through rabbi trusts and stock-based compensation expense. Adjusted selling, general, and administrative expenses assist us in comparing our performance over various reporting periods on a consistent basis because it removes from our operating results the impact of items that do not reflect our core operations, both on a segment and consolidated basis. See "—Results of Operations" for a reconciliation of selling, general, and administrative expenses to Adjusted selling, general, and administrative expenses.

*Constant dollar currency*

We report the results of our operations both on an as-reported basis, as well as on a constant dollar basis. Constant dollar currency, which is a non-GAAP measure, excludes the effects of movements in foreign currency exchange rates between comparative periods. We believe constant dollar analysis provides valuable information regarding our results as it removes currency fluctuations from our operating results. We calculate constant dollar currency by restating prior-period local currency financial results at the current period's exchange rates. These restated amounts are then compared to our current period reported amounts to provide operationally driven variances in our results.

The charts below illustrate Adjusted EBITDA by segment for the three months ended March 31, 2019 and March 31, 2018 :




*Consolidated Adjusted EBITDA for the three months ended March 31, 2019 included eliminations of $1 million and corporate and other Adjusted EBITDA of $(37) million .

**Consolidated Adjusted EBITDA for the three months ended March 31, 2018 included eliminations of $3 million and corporate and other Adjusted EBITDA of $(29) million .

The table below provides a reconciliation of our net income attributable to Hyatt Hotels Corporation to EBITDA and a reconciliation of EBITDA to consolidated Adjusted EBITDA for the three months ended March 31, 2019 and March 31, 2018 :

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Change | |
| **Net income attributable to Hyatt Hotels Corporation** | **$ 63** | **$ 411** | **$ (348)** | **(84.6)%** |
| Interest expense | 19 | 19 | — | 1.1 % |
| Provision for income taxes | 20 | 150 | (130) | (87.1)% |
| Depreciation and amortization | 80 | 83 | (3) | (3.4)% |
| **EBITDA** | **182** | **663** | **(481)** | **(72.6)%** |
| Contra revenue | 5 | 5 | — | 4.8 % |
| Revenues for the reimbursement of costs incurred on behalf of managed and franchised properties | (590) | (456) | (134) | (29.2)% |
| Costs incurred on behalf of managed and franchised properties | 605 | 460 | 145 | 31.6 % |
| Equity losses from unconsolidated hospitality ventures | 3 | 13 | (10) | (78.1)% |
| Stock-based compensation expense | 20 | 18 | 2 | 6.4 % |
| Gains on sales of real estate | (1) | (529) | 528 | 99.8 % |
| Asset impairments | 3 | — | 3 | NM |
| Other (income) loss, net | (51) | 18 | (69) | (381.1)% |
| Pro rata share of unconsolidated hospitality ventures Adjusted EBITDA | 11 | 10 | 1 | 8.3 % |
| **Adjusted EBITDA** | **$ 187** | **$ 202** | **$ (15)** | **(7.3)%** |

### Liquidity and Capital Resources

***Overview***

We finance our business primarily with existing cash, short-term investments, and cash generated from our operations. As part of our business strategy, we use net proceeds from dispositions to support our acquisitions and new investment opportunities. When appropriate, we borrow cash under our revolving credit facility or from other third-party sources and may also raise funds by issuing debt or equity securities as necessary. We maintain a cash investment policy that emphasizes preservation of capital. We believe that our cash position, short-term investments, and cash from operations, together with borrowing capacity under our revolving credit facility and our access to the capital markets, will be adequate to meet all of our funding requirements and capital deployment objectives for the foreseeable future.

We may, from time to time, seek to retire or purchase additional amounts of our outstanding equity and/or debt securities through cash purchases and/or exchanges for other securities, in open market purchases, privately negotiated transactions, or otherwise, including pursuant to a Rule 10b5-1 plan or an accelerated share repurchase transaction. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved may be material.

***Recent Transactions Affecting our Liquidity and Capital Resources***

During the three months ended March 31, 2019 and March 31, 2018 , various transactions impacted our liquidity. See "—Sources and Uses of Cash."

***Sources and Uses of Cash***

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Cash provided by (used in): | | |
| Operating activities | $ 13 | $ 54 |
| Investing activities | (39) | 935 |
| Financing activities | (5) | (109) |
| Effect of exchange rate changes on cash | — | (3) |
| Net increase (decrease) in cash, cash equivalents, and restricted cash | $ (31) | $ 877 |

***Cash Flows from Operating Activities***

Cash provided by operating activities decreased by $ 41 million for the three months ended March 31, 2019 , compared to the three months ended March 31, 2018 . The decrease was primarily driven by timing of receivables, accounts payable, and accrued expenses.

***Cash Flows from Investing Activities***

***During the three months ended March 31, 2019 :***

- We invested $66 million in capital expenditures (see "—Capital Expenditures").
- We acquired land for $15 million from an unrelated third party.
- We received $56 million of net proceeds from the sale of marketable securities and short-term investments.

***During the three months ended March 31, 2018 :***

- We sold Grand Hyatt San Francisco, Andaz Maui at Wailea Resort, and Hyatt Regency Coconut Point Resort and Spa to an unrelated third party as a portfolio for approximately $992 million , net of closing costs and proration adjustments. Proceeds from the sale of Hyatt Regency Coconut Point Resort and Spa of $221 million were held as restricted for use in a potential like-kind exchange, of which approximately $198 million were subsequently used for acquisitions and the remaining $23 million were released.
- We received $9 million of proceeds from the sale of our ownership interest in an equity method investment.
- We invested $60 million in capital expenditures (see "—Capital Expenditures").

***Cash Flows from Financing Activities***

***During the three months ended March 31, 2019 :***

- We repurchased 1,452,858 shares of Class A common stock for an aggregate purchase price of $102 million .
- We paid a $20 million quarterly cash dividend of $0.19 per share on Class A and Class B common stock.
- We borrowed $120 million on our revolving credit facility.

***During the three months ended March 31, 2018 :***

- We repurchased 1,209,987 shares of Class A common stock for an aggregate purchase price of $75 million , including 244,260 shares delivered in settlement of the November 2017 ASR in 2018, for which payment was made during 2017.
- We borrowed $20 million and repaid $20 million on our revolving credit facility.
- We paid an $18 million quarterly cash dividend of $0.15 per share on Class A and Class B common stock.
- We redeemed the Miraval preferred shares for approximately $10 million .

We define net debt as total debt less the total of cash and cash equivalents and short-term investments. We consider net debt and its components to be an important indicator of liquidity and a guiding measure of capital structure strategy. Net debt is a non-GAAP measure and may not be computed the same as similarly titled measures used by other companies. The following table provides a summary of our debt to capital ratios:

| | March 31, 2019 | December 31, 2018 |
|---|---|---|
| Consolidated debt (1) | $ 1,752 | $ 1,634 |
| Stockholders' equity | 3,622 | 3,670 |
| Total capital | 5,374 | 5,304 |
| Total debt to total capital | 32.6% | 30.8% |
| Consolidated debt (1) | 1,752 | 1,634 |
| Less: cash and cash equivalents and short-term investments | (601) | (686) |
| Net consolidated debt | $ 1,151 | $ 948 |
| Net debt to total capital | 21.4% | 17.9% |

(1) Excludes approximately $550 million and $528 million of our share of unconsolidated hospitality venture indebtedness at March 31, 2019 and December 31, 2018 , respectively, substantially all of which is non-recourse to us and a portion of which we guarantee pursuant to separate agreements.

***Capital Expenditures***

We routinely make capital expenditures to enhance our business. We classify our capital expenditures into maintenance and technology, enhancements to existing properties, and investment in new properties under development or recently opened. We have been and will continue to be prudent with respect to our capital spending, taking into account our cash flow from operations.

| | Three Months Ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Maintenance and technology | $ 13 | $ 13 |
| Enhancements to existing properties | 31 | 37 |
| Investment in new properties under development or recently opened | 22 | 10 |
| Total capital expenditures | $ 66 | $ 60 |

***Senior Notes***

The table below sets forth the outstanding principal balance of our Senior Notes at March 31, 2019 . Interest on the Senior Notes is payable semi-annually.

| Description | Principal amount |
|---|---|
| 2021 Notes | $ 250 |
| 2023 Notes | 350 |
| 2026 Notes | 400 |
| 2028 Notes | 400 |
| Total Senior Notes | $ 1,400 |

We are in compliance with all applicable covenants under the indenture governing our Senior Notes at March 31, 2019 .

***Revolving Credit Facility***

We had $120 million and no balance outstanding on our revolving credit facility at March 31, 2019 and December 31, 2018 , respectively. See Part I, Item 1 "Financial Statements—Note 10 to the Condensed Consolidated Financial Statements."

We are in compliance with all applicable covenants under the revolving credit facility at March 31, 2019 .

***Letters of Credit***

We issue letters of credit either under the revolving credit facility or directly with financial institutions. We had $283 million and $277 million in letters of credit issued directly with financial institutions outstanding at March 31, 2019 and December 31, 2018 , respectively. These letters of credit had weighted-average fees of approximately 100 basis points and a range of maturity of up to approximately three years at March 31, 2019 .

***Critical Accounting Policies and Estimates***

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and related disclosures. We have discussed those estimates that we believe are critical and require the use of complex judgment in their application in our 2018 Form 10-K . Upon adoption of ASU 2016-02, we added a critical accounting estimate and the methodologies or assumptions we apply to the estimate, as detailed below.

***Incremental Borrowing Rate and Accounting for Leases***

In determining the present value of our operating ROU assets and lease liabilities, we estimate an IBR by applying a portfolio approach based on lease terms. We apply judgment in estimating the IBR including factors related to currency risk and our credit risk. We also give consideration to our recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating our IBR.

At March 31, 2019 , our operating lease liabilities are $439 million. A 1% decrease in our estimated IBR would increase our operating lease liabilities by approximately $40 million.

**Item 3.** ***Quantitative and Qualitative Disclosures About Market Risk.***

We are exposed to market risk primarily from changes in interest rates and foreign currency exchange rates. In certain situations, we seek to reduce earnings and cash flow volatility associated with changes in interest rates and foreign currency exchange rates by entering into financial arrangements 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 arrangements to the extent they meet the objectives described above, and we do not use derivatives for trading or speculative purposes. At March 31, 2019 , we were a party to hedging transactions, including the use of derivative financial instruments, as discussed below.

**Interest Rate Risk**

In the normal course of business, we are exposed to the impact of interest rate changes due to our borrowing activities. Our objective is to manage the risk of interest rate changes on the results of operations, cash flows, and the market value of our debt by creating an appropriate balance between our fixed and floating- rate debt. We enter into interest rate derivative transactions from time to time, including interest rate swaps and interest rate locks, in order to maintain a level of exposure to interest rate variability that we deem acceptable.

At March 31, 2019 , we have one outstanding interest rate lock that hedges a portion of the risk of changes in the benchmark interest rate associated with long-term debt we anticipate issuing in the future. See Part I, Item 1 "Financial Statements—Note 10 to the Condensed Consolidated Financial Statements." At March 31, 2019 and December 31, 2018 , we did not hold any interest rate swap contracts.

The following table sets forth the contractual maturities and the total fair values at March 31, 2019 for our financial instruments materially affected by interest rate risk:

| | Maturities by Period | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2021 | 2022 | 2023 | Thereafter | Total carrying amount (1) | Total fair value |
| Fixed-rate debt | $ 5 | $ 4 | $ 255 | $ 5 | $ 355 | $ 958 | $ 1,582 | $ 1,628 |
| Average interest rate (2) | | | | | | | 4.51% | |
| Floating-rate debt (3) | $ 124 | $ 5 | $ 5 | $ 5 | $ 4 | $ 31 | $ 174 | $ 185 |
| Average interest rate (2) | | | | | | | 4.90% | |

(1) Excludes $12 million of finance lease obligations and $16 million of unamortized discounts and deferred financing fees.
(2) Average interest rate at March 31, 2019 .
(3) Includes Grand Hyatt Rio de Janeiro construction loan which had a 7.95% interest rate at March 31, 2019 .

**Foreign Currency Exposures and Exchange Rate Instruments**

We transact business in various foreign currencies and utilize foreign currency forward contracts to offset our exposure associated with the fluctuations of certain foreign currencies. The U.S. dollar equivalents of the notional amounts of the outstanding forward contracts, the majority of which relate to intercompany transactions, with terms of less than one year, were $229 million and $210 million at March 31, 2019 and December 31, 2018 , respectively.

We intend to offset the gains and losses related to our third-party debt and intercompany transactions with gains or losses on our foreign currency forward contracts such that there is a negligible effect on net income. Our exposure to market risk has not materially changed from what we previously disclosed in our 2018 Form 10-K.

For the three months ended March 31, 2019 and March 31, 2018 , the effects of these derivative instruments resulted in $1 million of net gains and $6 million of net losses, respectively, recognized in other income (loss), net on our condensed consolidated statements of income. We offset the gains and losses on our foreign currency forward contracts with gains and losses related to our intercompany loans and transactions, such that there is a negligible effect to net income.

**Item 4. *Controls and Procedures.***

*Disclosure Controls and Procedures.* We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this quarterly report, an evaluation was carried out under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of our disclosure controls and procedures. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures, as of the end of the period covered by this quarterly 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 our management, including the Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

*Changes in Internal Control Over Financial Reporting.*

We are in the process of integrating Two Roads into our internal control over financial reporting processes.

Except as described above, 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. We implemented various internal controls related to our accounting for leases under the new accounting standards upon adoption. There were no significant changes to our internal control over financial reporting due to the adoption of the new standards.

# PART II. OTHER INFORMATION

## Item 1. *Legal Proceedings.*

We are involved in various claims and lawsuits arising in the normal course of business, including proceedings involving tort and other general liability claims, workers' compensation and other employee claims, intellectual property claims, and claims related to our management of certain hotel properties. Most occurrences involving liability, claims of negligence, and employees are covered by insurance, in each case, with solvent insurance carriers. We recognize a liability when we believe the loss is probable and reasonably estimable. We currently believe that the ultimate outcome of such lawsuits and proceedings will not, individually or in the aggregate, have a material effect on our consolidated financial position, results of operations, or liquidity.

In March 2018, a putative class action was filed against the Company and several other hotel companies in federal district court in Illinois, Case No. 1:18-cv-01959, seeking an unspecified amount of damages and equitable relief for an alleged violation of the federal antitrust laws. In December 2018, a second lawsuit was filed against the Company by TravelPass Group, LLC, Partner Fusion, Inc., and Reservation Counter, LLC in federal district court in Texas, Case No. 5:18-cv-00153, for an alleged violation of federal antitrust laws arising from similar conduct alleged in the Illinois case and seeking an unspecified amount of monetary damages. The Company disputes the allegations in these lawsuits and will defend its interests vigorously. We currently do not believe the ultimate outcome of this litigation will have a material effect on our consolidated financial position, results of operation, or liquidity.

## Item 1A. *Risk Factors.*

At March 31, 2019 , there have been no material changes from the risk factors previously disclosed in response to Item 1A to Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 .

## Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

### Issuer Purchases of Equity Securities

The following table sets forth information regarding our purchases of shares of Class A common stock during the quarter ended March 31, 2019 :

| | Total number of shares purchased (1) | Weighted-average price paid per share | Total number of shares purchased as part of publicly announced plans | Maximum number (or approximate dollar value) of shares that may yet be purchased under the program |
|---|---|---|---|---|
| January 1 to January 31, 2019 | 656,619 | $ 67.34 | 656,619 | $ 623,867,073 |
| February 1 to February 28, 2019 | 643,270 | $ 72.38 | 643,270 | $ 577,305,826 |
| March 1 to March 31, 2019 | 152,969 | $ 73.52 | 152,969 | $ 566,059,768 |
| **Total** | 1,452,858 | $ 70.22 | 1,452,858 | |

(1) On October 30, 2018, we announced the approval of the expansion of our share repurchase program pursuant to which we are authorized to purchase up to an additional $750 million of Class A and Class B common stock in the open market, in privately negotiated transactions, or otherwise, including pursuant to a Rule 10b5-1 plan or an accelerated share repurchase transaction. The repurchase program does not have an expiration date. At March 31, 2019 , we had approximately $566 million remaining under the share repurchase authorization.

## Item 3. *Defaults Upon Senior Securities.*

None.

## Item 4. *Mine Safety Disclosures.*

Not Applicable.

## Item 5. *Other Information.*

None.

**Item 6.** ***Exhibits.***

| Exhibit Number | Exhibit Description |
|---|---|
| 3.1 | Amended and Restated Certificate of Incorporation of Hyatt Hotels Corporation |
| 3.2 | Amended and Restated Bylaws of Hyatt Hotels Corporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-34521) filed with the Securities and Exchange Commission on September 11, 2014) |
| + 10.1 | Employment Letter, dated as of August 28, 2017, between Hyatt Corporation and Mark Vondrasek |
| 31.1 | Certification of the Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of the Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |

| | |
|---|---|
| + | Management contract or compensatory plan or arrangement |

## SIGNATURES

Pursuant to the requirements 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.

Hyatt Hotels Corporation

| | |
|---|---|
| Date: May 2, 2019 | By: /s/ Mark S. Hoplamazian |
| | Mark S. Hoplamazian |
| | President and Chief Executive Officer |
| | (Principal Executive Officer) |

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the undersigned, in her capacity as the principal financial officer of the registrant.

Hyatt Hotels Corporation

| | |
|---|---|
| Date: May 2, 2019 | By: /s/ Joan Bottarini |
| | Joan Bottarini |
| | Executive Vice President, Chief Financial Officer |
| | (Principal Financial Officer) |

**Exhibit 3.1**

# AMENDED & RESTATED

# CERTIFICATE OF INCORPORATION

# OF

# HYATT HOTELS CORPORATION

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**(Under Sections 242 and 245 of the**

**Delaware General Corporation Law)**

It is hereby certified that:

1. The name of the corporation (hereinafter called the " Corporation ") is HYATT HOTELS CORPORATION.

2. The Certificate of Incorporation of the Corporation was originally filed under the name “Global Hyatt, Inc.” with the Secretary of State of the State of Delaware on August 4, 2004.

3. This Amended and Restated Certificate of Incorporation of the Corporation has been duly adopted by the Board of Directors and stockholders of the Corporation in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware and by the written consent of its stockholders in accordance with Section 228 of the General Corporation Law of the State of Delaware.

4. The Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

## ARTICLE I

## NAME

The name of this corporation (the “ Corporation ”) is: Hyatt Hotels Corporation.

ARTICLE II

ADDRESS OF REGISTERED OFFICE;

NAME OF REGISTERED AGENT

The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808. The name of the Corporation's registered agent at such address is Corporation Service Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as amended (the " DGCL ").

ARTICLE IV

CAPITAL STOCK

Section 1. Authorized Shares . The total number of shares of stock which the Corporation is authorized to issue is 1,510,000,000 shares, of which 1,000,000,000 shares shall be shares of Class A Common Stock, par value $0.01 per share (the " Class A Common Stock "), 500,000,000 shares shall be shares of Class B Common Stock, par value $0.01 per share (the " Class B Common Stock ", and together with the Class A Common Stock, the " Common Stock "), and 10,000,000 shares shall be shares of Preferred Stock, par value $0.01 per share (" Preferred Stock ").

Upon this Amended and Restated Certificate of Incorporation becoming effective pursuant to the DGCL (the " Effective Time "), each share of the Corporation's Common Stock, par value $0.01 per share, issued and outstanding immediately prior to the Effective Time (the " Old Common Stock ") (a) that is then held of record by any holder specified in the resolutions duly adopted by the Board of Directors on October 9, 2009 (the " Specified Holders ") will automatically be reclassified into one share of Class A Common Stock and (b) that is then held of record by any holder other than a Specified Holder will automatically be reclassified into one share of Class B Common Stock. Each certificate that theretofore represented shares of Old Common Stock shall thereafter represent such number of shares of Class A Common Stock or Class B Common Stock, as applicable, into which the shares of Old Common Stock represented by such certificate have been reclassified.

Section 2. Common Stock . The Class A Common Stock and the Class B Common Stock shall have the following powers, designations, preferences and rights and qualifications, limitations and restrictions:

(a) Voting Rights .

(i) Except as otherwise provided herein or by applicable law, the holders of Class A Common Stock and Class B Common Stock shall at all times vote together as a single class on all matters (including election of directors) submitted to a vote of the stockholders of the Corporation.

(ii) Each holder of Class A Common Stock shall be entitled to one vote for each share of Class A Common Stock held of record by such holder as of the applicable record date on any matter that is submitted to a vote of the stockholders of the Corporation.

(iii) Each holder of Class B Common Stock shall be entitled to ten votes for each share of Class B Common Stock held of record by such holder as of the applicable record date on any matter that is submitted to a vote of the stockholders of the Corporation.

Notwithstanding the foregoing, except as otherwise required by applicable law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate filed with the Secretary of State establishing the terms of a series of Preferred Stock in accordance with Section 3 of this Article IV) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series of Preferred Stock are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to applicable law or this Amended and Restated Certificate of Incorporation (including any certificate filed with the Secretary of State establishing the terms of a series of Preferred Stock in accordance with Section 3 of this Article IV).

(b) Dividends and Distributions . Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock outstanding at any time, the holders of Class A Common Stock and the holders of Class B Common Stock shall be entitled to share equally, on a per share basis, in such dividends and other distributions of cash, property or shares of stock of the Corporation as may be declared by the Board of Directors from time to time with respect to the Common Stock out of assets or funds of the Corporation legally available therefor; provided , however , that in the event that such dividend is paid in the form of Common Stock or rights to acquire Common Stock, the holders of Class A Common Stock shall receive shares of Class A Common Stock or rights to acquire shares of Class A Common Stock, as the case may be, and the holders of shares of Class B Common Stock shall receive shares of Class B Common Stock or rights to acquire shares of Class B Common Stock, as the case may be.

(c) Liquidation, etc . Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock outstanding at any time, in the event of a voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Corporation, the holders of Class A Common Stock and the holders of Class B Common Stock shall be entitled to share equally, on a per share basis, in all assets of the Corporation of whatever kind available for distribution to the holders of Common Stock.

(d) Subdivision or Combination . If the Corporation in any manner subdivides or combines the outstanding shares of one class of Common Stock, the outstanding shares of the other class of Common Stock will be subdivided or combined in the same manner.

(e) Equal Status . Except as expressly provided in this Article IV, shares of Class A Common Stock and Class B Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respect as to all matters. In any merger, consolidation, reorganization or other business combination, the consideration received per share by the holders of the Class A Common Stock and the holders of the Class B Common Stock in such merger, consolidation, reorganization or other business combination shall be identical; provided , however , that if such consideration consists, in whole or in part, of shares of capital stock of, or other equity interests in, the Corporation or any other corporation, partnership, limited liability company or other entity, then the powers, designations, preferences and relative, common, participating, optional or other special rights and qualifications, limitations and restrictions of such shares of capital stock or other equity interests may differ to the extent that the powers, designations, preferences and relative, common, participating, optional or other special rights and qualifications, limitations and restrictions of the Class A Common Stock and Class B Common Stock differ as provided herein (including, without limitation, with respect to the voting rights and conversion provisions hereof); and provided further , that, if the holders of the Class A Common Stock or the holders of the Class B Common Stock are granted the right to elect to receive one of two or more alternative forms of consideration, the foregoing provision shall be deemed satisfied if holders of the other class are granted identical election rights. Any consideration to be paid to or received by holders of Class A Common Stock or holders of Class B Common Stock pursuant to any employment, consulting, severance, non-competition or other similar arrangement approved by the Board of Directors, or any duly authorized committee thereof, shall not be considered to be "consideration received per share" for purposes of the foregoing provision, regardless of whether such consideration is paid in connection with, or conditioned upon the completion of, such merger, consolidation, reorganization or other business combination.

(f) Conversion.

(i) As used in this Section 2(f), the following terms shall have the following meanings:

(1) "2007 Investors" shall mean Madrone Capital, LLC, The Goldman Sachs Group, Inc. and Mori Building Capital Investment LLC, and their respective "Affiliates" (as defined in the 2007 Stockholders' Agreement).

(2) "2007 Stockholders' Agreement" shall mean that certain Global Hyatt Corporation 2007 Stockholders' Agreement, dated as of August 28, 2007, by and among the Corporation and the 2007 Investors signatory thereto, as amended from time to time.

(3) "Agreement Relating to Stock" shall mean that certain Agreement Relating to Stock, dated as of August 28, 2007, between and among each of Thomas J. Pritzker, Marshall E. Eisenberg and Karl J. Breyer, not individually but in their capacity as trustees, and the other parties signatory thereto, as amended from time to time.

(4) "Foreign Global Hyatt Agreement" shall mean that certain Amended and Restated Foreign Global Hyatt Agreement, dated as of October 1, 2009, between and among the parties signatory thereto, as amended from time to time.

(5) "Global Hyatt Agreement" shall mean that certain Amended and Restated Global Hyatt Agreement, dated as of October 1, 2009, between and among each of Thomas J. Pritzker, Marshall E. Eisenberg and Karl J. Breyer, not individually but in their capacity as trustees, and the other parties signatory thereto, as amended from time to time.

(6) "Permitted Transfer" shall mean:

(a) the Transfer of any share or shares of Class B Common Stock to one or more Permitted Transferees of the Registered Holder of such share or shares of Class B Common Stock, or to one or more other Registered Holders and/or Permitted Transferees of such other Registered Holders, or the subsequent Transfer of any share or shares of Class B Common Stock by any such transferee to the Registered Holder and/or one or more other Permitted Transferees of the Registered Holder; provided, however, that for so long as the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock, as applicable, remains in effect, any such Transfer of any share or shares of Class B Common Stock held by (i) any Person that is party to, or any other Person directly or indirectly controlled by any one or more Persons that are party to, or otherwise bound by (including Persons who execute a joinder to, and thereby become subject to the provisions of) the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock, as applicable, or (ii) with respect to the Foreign Global Hyatt Agreement, any Person directly or indirectly controlled by any one or more non-United States situs trusts which are for the benefit of one or more Pritzkers (even though such Person is not party to the Foreign Global Hyatt Agreement), shall not be a "Permitted Transfer" within the meaning of this Section 2(f)(i)(6)(a) unless, in connection with such Transfer, the transferee (and, in the case of a transferee that is a trust, the requisite number of trustees necessary to bind the trust) (to the extent not already party thereto) executes a joinder to, and thereby becomes subject to the provisions of, as applicable, the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock;

(b) the grant of a revocable proxy to an officer or officers or a director or directors of the Corporation at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders;

(c) the pledge of a share or shares of Class B Common Stock that creates a security interest in such pledged share or shares pursuant to a bona fide loan or indebtedness transaction, in each case with a third party lender that makes such loan in the ordinary course of its business, so long as the Registered Holder of such pledged share or shares or one or more Permitted Transferees of the Registered Holder continue to exercise exclusive Voting Control over such pledged share or shares; provided, however, that a foreclosure on such pledged share or shares or other action that would result in a Transfer of such pledged share or shares to the pledgee shall not be a "Permitted Transfer" within the meaning of this Section 2(f)(i)(6)(c);

(d) the Transfer of any share or shares of Class B Common Stock held by any Registered Holder that is a 2007 Investor, to any Affiliate of such Registered Holder to the extent that a Transfer to such Affiliate is permitted by, and completed solely in accordance with the terms and conditions of, the 2007 Stockholders' Agreement; provided , however , that such Transfer by a 2007 Investor shall not be a "Permitted Transfer" within the meaning of this Section 2(f)(i)(6)(d) unless, in connection with such Transfer, the transferee (to the extent not already party thereto) executes a joinder to, and thereby becomes subject to the provisions of, the 2007 Stockholders' Agreement;

(e) the existence or creation of a power of appointment or authority that may be exercised with respect to a share or shares of Class B Common Stock held by a trust; provided , however , that the Transfer of such share or shares of Class B Common Stock upon the exercise of such power of appointment or authority shall not be a "Permitted Transfer" within the meaning of this Section 2(f)(i)(6)(e); and

(f) any Transfer approved in advance by the Board of Directors, or a majority of the independent directors serving thereon, upon a determination that such Transfer is consistent with the purposes of the foregoing provisions of this definition of "Permitted Transfer", so long as such Transfer otherwise complies with the provisions of Sections 2(f)(i)(6)(a) or 2(f)(i)(6)(d) of this Article IV, as applicable, requiring transferees (to the extent not already party thereto) to execute joinders to, and thereby become subject to the provisions of, the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock, as applicable.

For the avoidance of doubt, the direct Transfer of any share or shares of Class B Common Stock by a Registered Holder to any other Person shall qualify as a "Permitted Transfer" within the meaning of this Section 2(f)(i)(6), if such Transfer could have been completed indirectly through one or more transactions involving more than one Transfer, so long as each Transfer in such transaction or transactions would otherwise have qualified as a "Permitted Transfer" within the meaning of this Section 2(f)(i)(6). For the further avoidance of doubt, a Transfer may qualify as a “Permitted Transfer” within the meaning of this Section 2(f)(i)(6) under any one or more than one of the clauses of this Section 2(f)(i)(6) as may be applicable to such Transfer, without regard to any proviso in, or requirement of, any other clause(s) of this Section 2(f)(i)(6).

(7) “ Permitted Transferee ” shall mean:

(a) with respect to any Pritzker:

(i) one or more other Pritzkers; and

(ii) the Pritzker Foundation, and/or any of the eleven private charitable foundations to which the Pritzker Foundation transferred a portion of its assets in September 2002, so long as a majority of the board of directors or similar governing body of such private charitable foundation is comprised of Pritzkers;

(b) with respect to any natural person:

(i) his or her lineal descendants who are Pritzkers (such persons are referred to as a person's " Related Persons ");

(ii) a trust or trusts for the sole current benefit of such natural person and/or one or more of such natural person's Related Persons; provided , however , that a trust shall qualify as a "Permitted Transferee" notwithstanding that a remainder interest in such trust is for the benefit of any Person other than such natural person and/or one or more of such natural person's Related Persons, until such time as such trust is for the current benefit of such Person;

(iii) one or more corporations, partnerships, limited liability companies or other entities so long as all of the equity interests in such entities are owned, directly or indirectly, by such natural person and/or one or more of such natural person's Related Persons, and such natural person and/or one or more of such natural person's Related Persons have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership, limited liability company or other entity; and

(iv) the guardian or conservator of any such natural person who has been adjudged disabled, incapacitated, incompetent or otherwise unable to manage his or her own affairs by a court of competent jurisdiction, in such guardian's or conservator's capacity as such, and/or the executor, administrator or personal representative of the estate of any such Registered Holder who is deceased, in such executor's, administrator's or personal representative's capacity as such;

(c) with respect to any trust:

(i) one or more current beneficiaries of such trust who are Pritzkers, any Permitted Transferee of any such current beneficiary and/or any appointee of a power of appointment exercised with respect to such trust, if such appointee is a Pritzker; provided , however , that any Person holding a remainder interest in such trust shall not be a “Permitted Transferee” of such trust unless such Person is a Pritzker or a Permitted Transferee of any current beneficiary who is a Pritzker;

(ii) any other trust so long as the current beneficiaries of such other trust are Pritzkers, and/or any other trust for the benefit of an appointee of a power of appointment exercised with respect to such trust, if such appointee is a Pritzker; provided , however , that such other trust shall qualify as a "Permitted Transferee" notwithstanding that a remainder interest in such other trust is for the benefit of any Person other than a Pritzker until such time as such other trust is for the current benefit of such Person;

(iii) any current trustee or trustees of such trust in the capacity as trustee of such trust, and any successor trustee or trustees in the capacity as trustee of such trust; and

(iv) one or more corporations, partnerships, limited liability companies or other entities so long as all of the equity interests in such entities are owned, directly or indirectly, by such trust and/or one or more Permitted Transferees of such trust, and such trust and/or one or more Permitted Transferees of such trust have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership, limited liability company or other entity;

(d) with respect to any corporation, partnership, limited liability company or other entity (a “ Corporate Person ”), other than the 2007 Investors:

(i) the shareholders, partners, members or other equity holders of such Corporate Person, as applicable, who are Pritzkers, in accordance with their respective rights and interests therein, and/or any Permitted Transferee of any such shareholders, partners, members or other equity holders;

(ii) any other corporation, partnership, limited liability company or other entity so long as all of the equity interests in such other corporation, partnership, limited liability company or other entity are owned, directly or indirectly, by such Corporate Person and/or one or more Permitted Transferees of such Corporate Person, and such Corporate Person and/or one or more Permitted Transferees of such Corporate Person has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such other corporation, partnership, limited liability company or other entity; and

(iii) any other corporation, partnership, limited liability company or other entity so long as such other corporation, partnership, limited liability company or other entity owns, directly or indirectly, all of the equity interests of such Corporate Person, and such other corporation, partnership, limited liability company or other entity has sole dispositive power and exclusive Voting Control with respect to the equity interests of such Corporate Person;

(e) with respect to any bankrupt or insolvent Person, the trustee or receiver of the estate of such bankrupt or insolvent Person, in such trustee's or receiver's capacity as such; and

(f) with respect to any Person that holds Class B Common Stock as the guardian or conservator of any Person who has been adjudged disabled, incapacitated, incompetent or otherwise unable to manage his or her own affairs, or as the executor, administrator or personal representative of the estate of any deceased Person, or as the trustee or receiver of the estate of a bankrupt or insolvent Person, (i) any Permitted Transferee of such disabled, incapacitated, incompetent, deceased, bankrupt or insolvent Person or (ii) in the event that such disabled, incapacitated, incompetent, deceased, bankrupt or insolvent Person is a 2007 Investor, an Affiliate of such 2007 Investor.

For the avoidance of doubt, the “Permitted Transferees” of any Person within the meaning of this Section 2(f)(i)(7) may be determined under any one or more than one of the clauses of this Section 2(f)(i)(7), if such clauses are applicable to such Person. For the further avoidance of doubt, references to a "trust" shall mean the trust or the trustee or trustees of such trust acting in such capacity, as the context may require.

With respect to a share or shares of Class B Common Stock held by a 2007 Investor, following the "Restriction Expiration Date" (as defined in the 2007 Stockholders' Agreement), the "Permitted Transferee" of any 2007 Investor shall be determined for purposes of Sections 2(f)(i)(7)(b) and 2(f)(i)(7)(c) of this Article IV without regard to any references to Pritzkers contained therein.

(8) " Person " shall mean any natural person, trust, corporation, partnership, limited liability company or other entity.

(9) " Pritzker " shall mean the Pritzker family members, who are the lineal descendants of Nicholas J. Pritzker, deceased, and spouses or surviving spouses of such descendants, any trust that is a Permitted Transferee of any of the foregoing, and any other Person that is a Permitted Transferee of any of the foregoing.

(10) " Registered Holder " shall mean (a) the registered holder of any share or shares of Class B Common Stock immediately prior to the consummation of the initial public offering of shares of Class A Common Stock (the " IPO "), (b) the initial registered holder of any share or shares of Class B Common Stock that are originally issued by the Corporation after the consummation of the IPO, and (c) any Person that becomes the registered holder of any share or shares of Class B Common Stock as a result of a Permitted Transfer in accordance with this Section 2(f).

(11) " Transfer " of a share or shares of Class B Common Stock shall mean any direct or indirect sale, exchange, assignment, transfer, conveyance, gift, hypothecation or other transfer or disposition (including, without limitation, the granting or exercise of a power of appointment or a proxy, attorney in fact, power of attorney or otherwise) of such share or shares or any legal or beneficial interest in such share or shares, whether or not for value and whether voluntary or involuntary or by operation of law. A "Transfer" shall include, without limitation, a transfer of a share or shares of Class B Common Stock to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership), and the transfer of, or entering into any agreement, arrangement or understanding with respect to, Voting Control over a share or shares of Class B Common Stock. Any sale, exchange, assignment, transfer, conveyance, gift, hypothecation or other transfer or disposition by any Person that is not a Pritzker (other than a 2007 Investor) of less than 5% of the equity interests of any other Person that holds shares of Class B Common Stock, shall not be deemed to result in a "Transfer" of such shares of Class B Common Stock within the meaning of this Section (2)(f)(i)(11). In addition, the existence of, the joinder of any Person to and agreement to become subject to the provisions of, or the voting of shares of Class B Common Stock in accordance with, the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock, shall not be deemed to result in a "Transfer" of shares of Class B Common Stock within the meaning of this Section (2)(f)(i)(11).

(12) " Voting Control " shall mean, with respect to a share or shares of Class B Common Stock, the power, whether exclusive or shared, revocable or irrevocable, to vote or direct the voting of such share or shares of Class B Common Stock, by proxy, voting agreement or otherwise.

(ii) Each share of Class B Common Stock shall be convertible into one fully paid and non-assessable share of Class A Common Stock at the option of the holder thereof at any time, and from time to time, upon written notice to the transfer agent of the Corporation.

(iii) Subject to Section 2(f)(vii) of this Article IV, a share of Class B Common Stock shall automatically, without any further action on the part of the Corporation, any holder of Class B Common Stock or any other party, convert into one fully paid and non-assessable share of Class A Common Stock upon a Transfer of such share, other than a Permitted Transfer; provided , however , that each share of Class B Common Stock transferred to a Permitted Transferee or an Affiliate of a 2007 Investor pursuant to a Permitted Transfer shall automatically convert into one fully paid and non-assessable share of Class A Common Stock if any event occurs, or any state of facts arises or exists, that causes such Person to no longer qualify, as applicable, as a "Permitted Transferee" within the meaning of Section 2(f)(i)(7) of this Article IV or as an "Affiliate" of such 2007 Investor as defined in Section 2(f)(i)(1) of this Article IV.

(iv) For so long as the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock, as applicable, remains in effect, each share of Class B Common Stock held by (a) any trust that is party to, or any other Person directly or indirectly controlled by any one or more trusts that are party to, or otherwise bound by (including any trust who executes, or whose trustees execute, a joinder to, and thereby become subject to the provisions of) the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock, as applicable, or

(b) with respect to the Foreign Global Hyatt Agreement, any Person directly or indirectly controlled by any one or more non-United States situs trusts which are for the benefit of one or more Pritzkers (even though such Person is not party to the Foreign Global Hyatt Agreement), shall automatically, without any further action on the part of the Corporation, any holder of Class B Common Stock or any other party, convert into one fully paid and non-assessable share of Class A Common Stock upon any change in the trustees of any such trust that is a Pritzker (in the case of clause (a)) or any such non-United States situs trusts that are Pritzkers (in the case of clause (b)) unless, in connection therewith, the requisite number of trustees necessary to bind such trust (to the extent not already party thereto) execute a joinder to, and thereby become subject to the provisions of, as applicable, the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock.

(v) Each share of Class B Common Stock shall automatically, without any further action on the part of the Corporation, any holder of Class B Common Stock or any other party, convert into one fully paid and non-assessable share of Class A Common Stock if, as of the record date for determining the stockholders entitled to vote at any annual or special meeting of the stockholders of the Corporation, the aggregate number of shares of Common Stock owned, directly or indirectly, by the Registered Holders is less than fifteen percent of the aggregate number of outstanding shares of Common Stock.

(vi) The Board of Directors, or any duly authorized committee thereof, may, from time to time, establish such policies and procedures relating to the conversion of a share or shares of Class B Common Stock into a share or shares of Class A Common Stock and the general administration of this dual class common stock structure, including the issuance of stock certificates with respect thereto, as it may deem necessary or advisable, and may request or require that holders of a share or shares of Class B Common Stock furnish affidavits or other proof to the Corporation as it may deem necessary or advisable to verify the ownership of such share or shares of Class B Common Stock and to confirm that an automatic conversion into a share or shares of Class A Common Stock has not occurred. If the Board of Directors, or a duly authorized committee thereof, determines that a share or shares of Class B Common Stock have been inadvertently Transferred in a Transfer that is not a Permitted Transfer, or any other event shall have occurred, or any state of facts arisen or come into existence, that would inadvertently cause the automatic conversion of such shares into Class A Common Stock pursuant to Section 2(f)(iii) of this Article IV, and the Registered Holder shall have cured or shall promptly cure such inadvertent Transfer or the event or state of facts that would inadvertently cause such automatic conversion, then the Board of Directors, or a duly authorized committee thereof, may determine that such share or shares of Class B Common Stock shall not have been automatically converted into Class A Common Stock pursuant to Section 2(f)(iii) of this Article IV.

(vii) In the event of a conversion of a share or shares of Class B Common Stock into a share or shares of Class A Common Stock pursuant to this Section 2, such conversion shall be deemed to have been made (a) in the event of a voluntary conversion pursuant to Section 2(f)(ii) of this Article IV, at the close of business on the business day on which written notice of such voluntary conversion is received by the transfer agent of the Corporation, (b) in the event of an automatic conversion upon a Transfer or if any other event occurs, or any state of facts arises or exists, that would cause an automatic conversion pursuant to Section 2(f)(iii) of this Article IV, at the time that the Transfer of such share or shares occurred or at the time that such other event occurred, or state of facts arose, as applicable, (c) in the event of an automatic conversion of shares upon the failure of the new trustee or trustees to assume the obligations under, as applicable, the 2007 Stockholders' Agreement, the Global Hyatt Agreement, the Foreign Global Hyatt Agreement or the Agreement Relating to Stock, at the time such new trustee or trustees become such, and (d) in the event of an automatic conversion of all shares of Class B Common Stock pursuant to Section 2(f)(v) of this Article IV, at the close of business on the record date on which the Registered Holders own less than the requisite percentage of outstanding shares of Common Stock. Upon any conversion of a share or shares of Class B Common Stock to a share or shares of Class A Common Stock, subject only to rights to receive any dividends or other distributions payable in respect of such share or shares of Class B Common Stock with a record date prior to the date of such conversion, all rights of the holder of a share or shares of Class B Common Stock shall cease and such Person shall be treated for all purposes as having become the registered holder of such share or shares of Class A Common Stock. Shares of Class B Common Stock that are converted into shares of Class A Common Stock as provided in this Section 2 shall be retired and may not be reissued.

(g) Reservation of Stock. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

(h) Limitation on Future Issuance. Except as otherwise provided in or contemplated by Sections 2(b), 2(d) or 2(e) of this Article IV, the Corporation shall not issue additional shares of Class B Common Stock after the Effective Time.

Section 3. Preferred Stock. The Board of Directors is authorized, subject to limitations prescribed by law, to provide by resolution or resolutions for the issuance of a share or shares of Preferred Stock in one or more series and, by filing a certificate of designation pursuant to the DGCL setting forth a copy of such resolution or resolutions, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences, and rights of the shares of each such series and the qualifications, limitations, and restrictions thereof. The authority of the Board of Directors with respect to the Preferred Stock and any series shall include, but not be limited to, determination of the following:

(a) the number of shares constituting any series and the distinctive designation of that series;

(b) the dividend rate on the shares of any series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of payment of dividends on shares of that series;

(c) whether any series shall have voting rights, in addition to the voting rights provided by applicable law, and, if so, the number of votes per share and the terms and conditions of such voting rights;

(d) whether any series shall have conversion privileges and, if so, the terms and conditions of conversion, including provision for adjustment of the conversion rate upon such events as the Board of Directors shall determine;

(e) whether the shares of any series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(f) whether any series shall have a sinking fund for the redemption or purchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) the rights of the shares of any series in the event of voluntary or involuntary dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(h) any other powers, preferences, rights, qualifications, limitations, and restrictions of any series.

Notwithstanding the provisions of Section 242(b)(2) of the DGCL, the number of authorized shares of Preferred Stock and Common Stock may, without a class or series vote, be increased or decreased (but not below the number of shares thereof then outstanding) from time to time by the affirmative vote of the holders of at least a majority of the voting power of the Corporation's then outstanding capital stock, voting together as a single class.

## ARTICLE V

## BOARD OF DIRECTORS

Section 1. Powers of the Board. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by applicable law or by this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

Section 2. Classification of the Board . Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock with respect to any directors elected (or to be elected) by the holders of such series, effective upon the Effective Time, the directors of the Corporation shall be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III. The Board of Directors may assign members of the Board of Directors already in office to such classes as of the Effective Time. The term of office of the initial Class I directors shall expire at the first regularly-scheduled annual meeting of the stockholders following the Effective Time; the term of office of the initial Class II directors shall expire at the second annual meeting of the stockholders following the Effective Time; and the term of office of the initial Class III directors shall expire at the third annual meeting of the stockholders following the Effective Time. Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock with respect to any directors elected (or to be elected) by the holders of such series, at each annual meeting of stockholders, commencing with the first regularly-scheduled annual meeting of stockholders following the Effective Time, each of the successors elected to replace the directors of a class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified.

Section 3. Number of Directors . Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock with respect to any directors elected (or to be elected) by the holders of such series, (a) the total number of directors constituting the entire Board of Directors shall consist of not less than five nor more than fifteen members, with the precise number of directors to be determined from time to time exclusively by a vote of a majority of the entire Board of Directors, and (b) if the number of directors is changed, any increase or decrease shall be apportioned among such classes of directors in such manner as the Board of Directors shall determine so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

Section 4. Removal of Directors . Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock with respect to any directors elected by the holders of such series and except as otherwise required by applicable law, any or all of the directors of the Corporation may be removed from office only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of the Corporation's then outstanding capital stock entitled to vote generally in the election of directors, voting together as a single class.

Section 5. Vacancies . Except as may be provided in a resolution or resolutions providing for any series of Preferred Stock with respect to any directors elected (or to be elected) by the holders of such series, any vacancies in the Board of Directors for any reason and any newly created directorships resulting by reason of any increase in the number of directors may be filled only by the Board of Directors (and not by the stockholders), acting by majority of the remaining directors then in office, although less than a quorum, or by a sole remaining director, and any directors so appointed shall hold office until the next election of the class of directors to which such directors have been appointed and until their successors are elected and qualified.

Section 6. Bylaws . The Board of Directors shall have the power to adopt, amend, alter, change or repeal any and all Bylaws of the Corporation. In addition, the stockholders of the Corporation may adopt, amend, alter, change or repeal any and all Bylaws of the Corporation by the affirmative vote of the holders of at least eighty percent of the voting power of the Corporation's then outstanding capital stock entitled to vote, voting together as a single class (notwithstanding the fact that a lesser percentage may be specified by applicable law).

Section 7. Elections of Directors . Elections of directors need not be by ballot unless the Bylaws of the Corporation shall so provide.

Section 8. Officers. Except as otherwise expressly delegated by resolution of the Board of Directors, the Board of Directors shall have the exclusive power and authority to appoint and remove officers of the Corporation.

## ARTICLE VI

## STOCKHOLDERS

Section 1. Actions by Consent. Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such stockholders and may not be effected by any written consent in lieu of a meeting by such stockholders.

Section 2. Special Meetings of Stockholders. Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock, special meetings of stockholders of the Corporation may be called only by the Chairman of the Board of Directors or by the Secretary upon direction of the Board of Directors pursuant to a resolution adopted by a majority of the entire Board of Directors.

## ARTICLE VII

## DIRECTOR LIABILITY

A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as it presently exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right arising prior to the time of such amendment, modification or repeal.

## ARTICLE VIII

## INDEMNIFICATION

Section 1. Right of Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article VIII, the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors.

Section 2. Prepayment of Expenses. The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VIII or otherwise.

Section 3. Claims. If a claim for indemnification (following the final disposition of the Proceeding with respect to which indemnification is sought, including any settlement of such Proceeding) or advancement of expenses under this Article VIII is not paid in full within thirty days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by applicable law. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under this Article VIII and applicable law.

Section 4. Non-exclusivity of Rights. The rights conferred on any Covered Person by this Article VIII shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, any other provision of this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation, or any agreement, vote of stockholders or disinterested directors or otherwise.

Section 5. Amendment or Repeal. Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of this Article VIII after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

Section 6. Other Indemnification and Advancement of Expenses. This Article VIII shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

## ARTICLE IX

## SECTION 203

The Corporation elects not to be governed by Section 203 of the DGCL.

ARTICLE X

AMENDMENT

The Corporation hereby reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in any manner permitted by the DGCL and all rights and powers conferred upon stockholders and/or directors herein are granted subject to this reservation. Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock, any such amendment, alteration, change or repeal shall require the affirmative vote of both (a) sixty-six and 2/3rds percent of the entire Board of Directors and (b) eighty percent of the voting power of the Corporation's then outstanding capital stock entitled to vote, voting together as a single class (notwithstanding the fact that a lesser percentage may be specified by applicable law). Any vote of stockholders required by this Article X shall be in addition to any other vote that may be required by applicable law, the Bylaws of the Corporation or any agreement with a national securities exchange or otherwise.

IN WITNESS WHEREOF, Hyatt Hotels Corporation has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer this 4th day of November, 2009

HYATT HOTELS CORPORATION

By: /s/ Harmit J. Singh
Harmit J. Singh
Chief Financial Officer

**CERTIFICATE OF RETIREMENT**

**OF**

**38,000,000 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)
of the General Corporation Law
of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 38,000,000 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 38,000,000 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009 provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 38,000,000 shares of Class B Common Stock that converted into 38,000,000 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the effective date of the filing of this Certificate of Retirement, the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 38,000,000 shares, such that the total number of authorized shares of the Corporation shall be 1,472,000,000, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 462,000,000 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 11th day of December, 2009.

HYATT HOTELS CORPORATION

By: /s/ Susan T. Smith

Susan T. Smith

General Counsel, Senior Vice President and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**539,588 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)
of the General Corporation Law
of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 539,588 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 539,588 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended by a certificate of retirement of 38,000,000 shares of Class B Common Stock filed with the Secretary of State of the State of Delaware on December 11, 2009, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 539,588 shares of Class B Common Stock that converted into 539,588 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the effective date of the filing of this Certificate of Retirement, the Certificate of Incorporation of the Corporation shall be further amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 539,588 shares, such that the total number of authorized shares of the Corporation shall be 1,471,460,412, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 461,460,412 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 14th day of September, 2010.

HYATT HOTELS CORPORATION

By: /s/ Harmit J. Singh

Harmit J. Singh

Executive Vice President, Chief Financial Officer

**CERTIFICATE OF RETIREMENT**
**OF**
**8,987,695 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 8,987,695 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 8,987,695 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 8,987,695 shares of Class B Common Stock that converted into 8,987,695 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 8,987,695 shares, such that the total number of authorized shares of the Corporation shall be 1,462,472,717, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 452,472,717 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 18th day of May, 2011.

HYATT HOTELS CORPORATION

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss

Executive Vice President, General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**863,721 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 863,721 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 863,721 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 863,721 shares of Class B Common Stock that converted into 863,721 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 863,721 shares, such that the total number of authorized shares of the Corporation shall be 1,461,608,996, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 451,608,996 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 14th day of February, 2012.

HYATT HOTELS CORPORATION

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss

Executive Vice President, General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**1,000,000 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 1,000,000 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 1,000,000 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,000,000 shares of Class B Common Stock that converted into 1,000,000 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,000,000 shares, such that the total number of authorized shares of the Corporation shall be 1,461,472,717, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 451,472,717 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 27th day of September, 2012.

HYATT HOTELS CORPORATION

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss

Executive Vice President, General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**1,623,529 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 1,623,529 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 1,623,529 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,623,529 shares of Class B Common Stock that converted into 1,623,529 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,623,529 shares, such that the total number of authorized shares of the Corporation shall be 1,458,985,467, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 448,985,467 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 13 day of December, 2012.

HYATT HOTELS CORPORATION

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss
Executive Vice President, General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**1,556,713 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 1,556,713 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 1,556,713 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,556,713 shares of Class B Common Stock that converted into 1,556,713 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,556,713 shares, such that the total number of authorized shares of the Corporation shall be 1,457,428,754, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 447,428,754 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 12th day of February, 2013.

HYATT HOTELS CORPORATION

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss

Executive Vice President, General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**1,498,019 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 1,498,019 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 1,498,019 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,498,019 shares of Class B Common Stock that converted into 1,498,019 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,498,019 shares, such that the total number of authorized shares of the Corporation shall be 1,455,930,735, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 445,930,735 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 10th day of May, 2013.

HYATT HOTELS CORPORATION

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss

Executive Vice President, General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**295,072 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES as follows:

1. 295,072 outstanding shares of Class B Common Stock, par value $0.01 per share ("Class B Common Stock"), of the Corporation have been converted into 295,072 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 295,072 shares of Class B Common Stock that converted into 295,072 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 295,072 shares, such that the total number of authorized shares of the Corporation shall be 1,455,635,663, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 445,635,663 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 30th day of May, 2013.

HYATT HOTELS CORPORATION

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss

Executive Vice President, General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**1,113,788 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the “Corporation”), HEREBY CERTIFIES as follows:

1. 1,113,788 outstanding shares of Class B Common Stock, par value $0.01 per share (“Class B Common Stock”), of the Corporation have been converted into 1,113,788 shares of Class A Common Stock, par value $0.01 per share (“Class A Common Stock”), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,113,788 shares of Class B Common Stock that converted into 1,113,788 shares of Class A Common Stock.

Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,113,788 shares, such that the total number of authorized shares of the Corporation shall be 1,454,521,875, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 444,521,875 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 13th day of June, 2013.

HYATT HOTELS CORPORATION

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss

Executive Vice President, General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**

**OF**

**1,122,000 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 1,122,000 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 1,122,000 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,122,000 shares of Class B Common Stock that converted into 1,122,000 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,122,000 shares, such that the total number of authorized shares of the Corporation shall be 1,453,399,875, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 443,399,875 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 5th day of November, 2014.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Rena Hozore Reiss

Executive Vice President, General

**CERTIFICATE OF RETIREMENT**

**OF**

**750,000 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 750,000 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 750,000 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 750,000 shares of Class B Common Stock that converted into 750,000 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 750,000 shares, such that the total number of authorized shares of the Corporation shall be 1,452,649,875, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 442,649,875 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 25th day of February, 2015.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**

**OF**

**1,026,501 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 1,026,501 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 1,026,501 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,026,501 shares of Class B Common Stock that converted into 1,026,501 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,026,501 shares, such that the total number of authorized shares of the Corporation shall be 1,451,623,374, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 441,623,374 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 13th day of May, 2015.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel

**CERTIFICATE OF RETIREMENT**

**OF**

**1,881,636 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 1,881,636 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 1,881,636 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,881,636 shares of Class B Common Stock that converted into 1,881,636 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,881,636 shares, such that the total number of authorized shares of the Corporation shall be 1,449,741,738, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 439,741,738 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 22nd day of August, 2016.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**

**OF**

**500,000 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 500,000 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 500,000 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 500,000 shares of Class B Common Stock that converted into 500,000 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 500,000 shares, such that the total number of authorized shares of the Corporation shall be 1,449,241,738, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 439,241,738 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 1 st day of November, 2016.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**

**OF**

**10,187,641 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 10,187,641 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 10,187,641 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 10,187,641 shares of Class B Common Stock that converted into 10,187,641 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 10,187,641 shares, such that the total number of authorized shares of the Corporation shall be 1,439,054,097, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 429,054,097 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 4th day of November, 2016.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**

**OF**

**4,500,000 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 4,500,000 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 4,500,000 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 4,500,000 shares of Class B Common Stock that converted into 4,500,000 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 4,500,000 shares, such that the total number of authorized shares of the Corporation shall be 1,434,554,097, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 424,554,097 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 8th day of December, 2016.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

# CERTIFICATE OF RETIREMENT

# OF

# 1,696,476 SHARES OF CLASS B COMMON STOCK

# OF

# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 1,696,476 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 1,696,476 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,696,476 shares of Class B Common Stock that converted into 1,696,476 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,696,476 shares, such that the total number of authorized shares of the Corporation shall be 1,432,857,621, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 422,857,621 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 21 st day of December, 2016.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

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# CERTIFICATE OF RETIREMENT

# OF

# 539,370 SHARES OF CLASS B COMMON STOCK

# OF

# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 539,370 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 539,370 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 539,370 shares of Class B Common Stock that converted into 539,370 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 539,370 shares, such that the total number of authorized shares of the Corporation shall be 1,432,318,251, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 422,318,251 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 3rd day of May, 2017.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

# CERTIFICATE OF RETIREMENT

# OF

# 4,233,000 SHARES OF CLASS B COMMON STOCK

# OF

# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 4,233,000 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 4,233,000 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 4,233,000 shares of Class B Common Stock that converted into 4,233,000 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 4,233,000 shares, such that the total number of authorized shares of the Corporation shall be 1,428,085,251, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 418,085,251 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 18[th] day of July, 2017.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

# CERTIFICATE OF RETIREMENT

# OF

# 1,813,459 SHARES OF CLASS B COMMON STOCK

# OF

# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 1,813,459 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 1,813,459 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 1,813,459 shares of Class B Common Stock that converted into 1,813,459 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 1,813,459 shares, such that the total number of authorized shares of the Corporation shall be 1,426,271,792, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 416,271,792 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 11 th day of September, 2017.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**

**OF**

**10,154,050 SHARES OF CLASS B COMMON STOCK**

**OF**

**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 10,154,050 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 10,154,050 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 10,154,050 shares of Class B Common Stock that converted into 10,154,050 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 10,154,050 shares, such that the total number of authorized shares of the Corporation shall be 1,416,117,742, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 406,117,742 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 14 th day of September, 2017.

**HYATT HOTELS CORPORATION**

By: /s/ Rena Hozore Reiss

Name: Rena Hozore Reiss

Title: Executive Vice President,

General Counsel and Secretary

# CERTIFICATE OF RETIREMENT

# OF

# 3,369,493 SHARES OF CLASS B COMMON STOCK

# OF

# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 3,369,493 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 3,369,493 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 3,369,493 shares of Class B Common Stock that converted into 3,369,493 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 3,369,493 shares, such that the total number of authorized shares of the Corporation shall be 1,412,748,249, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 402,748,249 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 14th day of December, 2017.

**HYATT HOTELS CORPORATION**

By: /s/ Margaret C. Egan

Name: Margaret C. Egan

Title: Senior Vice President,

Interim General Counsel and Secretary

# CERTIFICATE OF RETIREMENT

# OF

# 135,100 SHARES OF CLASS B COMMON STOCK

# OF

# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 135,100 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 135,100 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 135,100 shares of Class B Common Stock that converted into 135,100 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 135,100 shares, such that the total number of authorized shares of the Corporation shall be 1,412,613,149, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 402,613,149 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 14 th day of February, 2018.

**HYATT HOTELS CORPORATION**

By: /s/ Margaret C. Egan

Name: Margaret C. Egan

Title: Executive Vice President,

General Counsel and Secretary

# CERTIFICATE OF RETIREMENT

# OF

# 2,249,094 SHARES OF CLASS B COMMON STOCK

# OF

# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)

of the General Corporation Law

of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 2,249,094 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 2,249,094 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 2,249,094 shares of Class B Common Stock that converted into 2,249,094 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 2,249,094 shares, such that the total number of authorized shares of the Corporation shall be 1,410,364,055, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 400,364,055 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 16 th day of May, 2018.

**HYATT HOTELS CORPORATION**

By: /s/ Margaret C. Egan
Name: Margaret C. Egan
Title: Executive Vice President,
General Counsel and Secretary

# CERTIFICATE OF RETIREMENT

# OF

# 300,000 SHARES OF CLASS B COMMON STOCK

# OF

# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)
of the General Corporation Law
of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 300,000 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 300,000 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 300,000 shares of Class B Common Stock that converted into 300,000 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 300,000 shares, such that the total number of authorized shares of the Corporation shall be 1,410,064,055, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 400,064,055 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 31 st day of July, 2018.

**HYATT HOTELS CORPORATION**

By: /s/ Margaret C. Egan
Name: Margaret C. Egan
Title: Executive Vice President,
General Counsel and Secretary

# CERTIFICATE OF RETIREMENT
# OF
# 950,161 SHARES OF CLASS B COMMON STOCK
# OF
# HYATT HOTELS CORPORATION

Pursuant to Section 243(b)
of the General Corporation Law
of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 950,161 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 950,161 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 950,161 shares of Class B Common Stock that converted into 950,161 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 950,161 shares, such that the total number of authorized shares of the Corporation shall be 1,409,113,894, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 399,113,894 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 30[th] day of October, 2018.

**HYATT HOTELS CORPORATION**

By: /s/ Margaret C. Egan
Name: Margaret C. Egan
Title: Executive Vice President,
General Counsel and Secretary

**CERTIFICATE OF RETIREMENT**
**OF**
**3,654 SHARES OF CLASS B COMMON STOCK**
**OF**
**HYATT HOTELS CORPORATION**

Pursuant to Section 243(b)
of the General Corporation Law
of the State of Delaware

Hyatt Hotels Corporation, a corporation organized and existing under the laws of the State of Delaware (the " Corporation "), HEREBY CERTIFIES as follows:

1. 3,654 outstanding shares of Class B Common Stock, par value $0.01 per share (" Class B Common Stock "), of the Corporation have been converted into 3,654 shares of Class A Common Stock, par value $0.01 per share (" Class A Common Stock "), of the Corporation.

2. The Amended and Restated Certificate of Incorporation of the Corporation filed with the Secretary of State of the State of Delaware on November 4, 2009, as amended, provides that any shares of Class B Common Stock which are converted into shares of Class A Common Stock shall be retired and may not be reissued by the Corporation.

3. The Board of Directors of the Corporation has adopted resolutions retiring the 3,654 shares of Class B Common Stock that converted into 3,654 shares of Class A Common Stock.

4. Accordingly, pursuant to the provisions of Section 243(b) of the General Corporation Law of the State of Delaware, upon the filing of this Certificate of Retirement the Certificate of Incorporation of the Corporation shall be amended so as to reduce the total authorized number of shares of the capital stock of the Corporation by 3,654 shares, such that the total number of authorized shares of the Corporation shall be 1,409,110,240, such shares consisting of 1,000,000,000 shares designated Class A Common Stock, 399,110,240 shares designated Class B Common Stock, and 10,000,000 shares designated Preferred Stock, par value $0.01 per share.

*Signature page follows.*

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Retirement to be signed by its duly authorized officer, this 13 th day of November, 2018.

**HYATT HOTELS CORPORATION**

By: /s/ Margaret C. Egan
Name: Margaret C. Egan
Title: Executive Vice President, General Counsel and Secretary

**Mark Hoplamazian**
President & Chief Executive Officer

**Hyatt Hotels Corporation**
71 South Wacker Drive
Chicago, IL 60606 USA

August 28, 2017

**PRIVATE & CONFIDENTIAL**

Mr. Mark Vondrasek
[Address Omitted]

Dear Mark:

On behalf of Hyatt Corporation ( **the** " **Employer** "), I am pleased to offer you the position of Executive Vice President, Global Head of Loyalty & New Business Platforms, based in Chicago. As we have discussed, your employment start date will be September 25, 2017.

The following outlines the terms of employment and compensation and other benefits for the position.

**Job Assignment**
In this position, you will be responsible for executing your job consistent with the strategies and practices of Hyatt Hotels Corporation (" **Hyatt** " or the " **Company** "). You will report to me in my capacity as President and Chief Executive Officer.

**Compensation**
You will be paid a gross annual base salary of $625,000. Your base salary will be reviewed on March 1, 2018 and annually thereafter in line with the Employer's compensation market benchmarking practice.

**Incentive Plan (IP)**
You will be eligible to participate in the Employer Incentive Plan that is based on criteria established, from time to time, by Hyatt for its senior management and for the senior management of its various subsidiaries, as adopted by the Employer. The current target for this role is 85% of your eligible annual base salary. For 2017 only, your bonus opportunity will be prorated based upon your start date.

**Hyatt Long Term Incentive Plan**
You will be eligible for equity-based compensation as a participant under the Hyatt Hotels Corporation Long Term Incentive Plan (" **LTIP** "). The type and actual amount of award may vary, but will generally be based upon your performance, performance of Hyatt and performance of your business unit or function. It is expected that the grant value in 2018 for this role will be approximately $1,200,000 and delivered (according to a formula approved by the Compensation Committee) in Stock Appreciation Rights (SARs), Restricted Stock Units (RSUs), and Performance Share Units (PSUs). As with all LTIP participants, no future awards are guaranteed. All awards under the LTIP are subject to the approval of the Compensation Committee of the Company's Board of Directors and will be subject to the terms of the LTIP, the standard form of award agreement then in effect and such other terms and conditions as the Compensation Committee may determine. Hyatt also reserves the right to amend, modify or terminate the LTIP at any time.

Subject to approval by the Compensation Committee of the Board of Directors, you will receive two special awards on or about September 25, 2017 of:

- RSUs with a grant value of $375,000
- SARs with a grant value of $375,000

If approved by the Compensation Committee and pending your start date of September 25, 2017, and otherwise subject to the terms and conditions of the RSU and SAR award agreements, the awards would vest in equal amounts over four years with the initial tranche vesting on September 16, 2018.

Also subject to approval by the Compensation Committee of the Board of Directors, you will receive a new hire RSU award on September 25, 2017 with a grant value of $1,000,000. If approved by the Compensation Committee and pending your start date of September 25, 2017, and otherwise subject to the terms and conditions of the RSU award agreement, the award would vest as follows: 50% in year 1, 30% in year 2, and 20% in year 3, with the initial tranche vesting on September 16, 2018.

The vesting schedules above are subject to change pending approval of the Compensation Committee.

**Benefits**

In this role, you will receive the following benefits, subject to eligibility:

- Medical and Dental insurance
- Life Insurance
- 401(k) Retirement Savings Plan
- Deferred Compensation Plan (DCP)
- Disability Coverage
- Paid Time Off (PTO) Accrual
- Executive Officer Severance and Change in Control Plan

During the period of time that you transition health care benefits from your current employer to the Company, we will reimburse you for COBRA coverage less standard premium payments.

**Relocation**
You have been provided with details concerning our relocation policy under separate cover.

**Non-solicitation and Non-competition**
You agree that while employed by the Company and or by any Company Affiliate (‘Company, Hyatt Hotels Corporation, and Hyatt Hotels Corporation’s subsidiaries and affiliates’), and for a period of two years beginning on the date that your employment with the Company or with any Company Affiliate terminates, regardless of the reason for such termination, you will not, directly or indirectly, whether on your behalf or on behalf of any other party, induce, solicit, or attempt to persuade any employee of any Company Affiliate to terminate his or her employment with such Company Affiliate. In the event that you are found by a court of competent jurisdiction to have violated this section, the time period in this section that restricts your activity shall be extended for one day for each day that you are found to have been violating this section, up to a maximum of two additional years.

You agree that for a period of one year beginning on the date that your employment with the Company or with any Company Affiliate terminates, regardless of the reason for such termination, you will not engage in Competition with the Company or any Company Affiliate. “Competition” shall mean the provision of services as an employee, contractor, director, advisor, or in any other capacity, or ownership, directly or indirectly, for or with a competitor that is competitive with those aspects of the Company’s business that you were involved in, had supervisory responsibility over or was provided confidential information or trade secret about during your employment with the Company. You stipulate that this covenant is fair, reasonable and necessary for the protection of the Company’s trade secrets, confidential business information and other legitimate business interests and that you have received adequate consideration for this covenant as set forth in this document.

**Acceptance**
Please review this document and the attached agreements in detail and consult with an attorney if necessary, to understand the content of these provisions and to evaluate whether they conflict with any other agreements you may have already signed.

Additionally, you have informed Hyatt that you are subject to a non-compete provision with your former employer that expires on September 23, 2017. You represent that you have disclosed any contractual covenants that may restrict your future employment at Hyatt, and you understand that this offer letter is only valid if you are not subject to a non-compete agreement or any other restrictive covenant that would limit your employment at Hyatt.

Your employment at Hyatt is at-will, and the terms and conditions of this offer are intended to be for your information only. You will need to comply with all Hyatt policies, including, but not limited to the Hyatt Employee Handbook, Hyatt’s Code of Business Conduct and Ethics and such other policies Hyatt adopts.

I look forward to working with you.

Yours Sincerely,

/s/ Mark Hoplamazian

Mark Hoplamazian

Cc: Rena Reiss, General Counsel and Interim Chief Human Resources Officer
Lauren Brown, Senior Vice President Total Rewards

I have read and fully understand the terms and conditions of my employment.

**Acceptance:** /s/ Mark Vondrasek
Mark Vondrasek

**Date:** September 3, 2017

Exhibit 31.1

**CERTIFICATION PURSUANT TO**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark S. Hoplamazian, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hyatt Hotels Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 2, 2019

/s/ Mark S. Hoplamazian

Mark S. Hoplamazian
President and Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joan Bottarini, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hyatt Hotels Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 2, 2019

/s/ Joan Bottarini

Joan Bottarini
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

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 Quarterly Report of Hyatt Hotels Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2019 , as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 2, 2019

/s/ Mark S. Hoplamazian
Mark S. Hoplamazian
President and Chief Executive Officer
(Principal Executive Officer)

A signed original 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 a part of this report or on 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 Quarterly Report of Hyatt Hotels Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2019 , as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

| | |
|---|---|
| May 2, 2019 | /s/ Joan Bottarini |
| | Joan Bottarini |
| | Executive Vice President, Chief Financial Officer |
| | (Principal Financial Officer) |

A signed original 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 a part of this report or on a separate disclosure document.