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

Form 10-K
☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021

OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to _________

Commission file number: 001-37429

EXPEDIA GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

20-2705720
(I.R.S. Employer
Identification No.)

1111 Expedia Group Way W
Seattle, WA 98119
(Address of principal executive office) (Zip Code)

Registrant’s telephone number, including area code:
(206) 481-7200

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

Title of each class Trading symbol(s) Name of each exchange on which registered
Common stock, $0.0001 par value EXPE The Nasdaq Global Select Market
Expedia Group, Inc. 2.500% Senior Notes due 2022 EXPE22 New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ☑ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☑
Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑
As of June 30, 2021, the aggregate market value of the registrant’s common equity held by non-affiliates was approximately $23,665,358,000. For the purpose of the foregoing calculation only, all directors and executive officers of the registrant are assumed to be affiliates of the registrant.

Class Outstanding Shares at January
Common stock, $0.0001 par value per share 150,230,905 shares
Class B common stock, $0.0001 par value per share 5,523,452 shares

Documents Incorporated by Reference

Portions of the definitive Proxy Statement for the 2022 Annual Meeting of Stockholders (Proxy Statement) Part III
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*Form 10-K*  
*For the Year Ended December 31, 2021*  

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Part I. Item 1. Business

We refer to Expedia Group, Inc. and its subsidiaries collectively as “Expedia Group,” the “Company,” “us,” “we” and “our” in this Annual Report on Form 10-K.

Forward-Looking Statements

This Annual Report on Form 10-K contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the views of our management regarding current expectations and projections about future events and are based on currently available information. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, but not limited to, those discussed in the section entitled “Risk Factors” as well as those discussed elsewhere in this report. COVID-19, and the volatile regional and global economic conditions stemming from it, and additional or unforeseen effects from the COVID-19 pandemic, could also give rise to or aggravate these risk factors, which in turn could materially adversely affect our business, financial condition, liquidity, results of operations (including revenues and profitability) and/or stock price. Further, COVID-19 may also continue to affect our operating and financial results in a manner that is not presently known to us or that we currently do not consider to present significant risks to our operations. Other unknown or unpredictable factors also could have a material adverse effect on our business, financial condition and results of operations. Accordingly, readers should not place undue reliance on these forward-looking statements. The use of words such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “goal,” “intends,” “likely,” “may,” “plans,” “potential,” “predicts,” “projected,” “seeks,” “should” and “will,” or the negative of these terms or other similar expressions, among others, generally identify forward-looking statements; however, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. We are not under any obligation to, and do not intend to, publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise, even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized. Please carefully review and consider the various disclosures made in this report and in our other reports filed with the Securities and Exchange Commission (“SEC”) that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

Management Overview

COVID-19

The COVID-19 pandemic has severely restricted the level of economic activity around the world, had an unprecedented effect on the global travel industry and materially and negatively impacted our business, financial results and financial condition. Since the first quarter of 2020, the governments of many countries, states, cities and other geographic regions have implemented, and continue to implement, a variety of containment measures, including travel restrictions, bans and advisories, instructions to practice social distancing, curfews, quarantine advisories, including quarantine restrictions after travel in certain locations, “shelter-in-place” orders, required closures of non-essential businesses, vaccination mandates or requirements for businesses to confirm employees’ vaccination status, and other restrictions. While the process of vaccinating their residents against COVID-19 is underway in many countries, with various levels of success, the large scale and challenging logistics of distributing the vaccines, the unavailability of vaccines in many regions, the impact of vaccine hesitancy, as well as uncertainty over the efficacy of the vaccine against new variants of the virus, may all contribute to delays in economic recovery, particularly for the travel industry.

Overall, the full duration and total impact of COVID-19 remains uncertain and it is difficult to predict how the recovery will unfold for the travel industry and, in particular, our business, going forward.

General Description of Our Business

Expedia Group, Inc. is an online travel company, and our mission is to power global travel for everyone, everywhere. We believe travel is a force for good. Travel is an essential human experience that strengthens connections, broadens horizons and bridges divides. We leverage our supply portfolio, platform and technology capabilities across an extensive portfolio of consumer brands, and provide solutions to our business partners, to empower travelers to efficiently research, plan, book and experience travel. We seek to grow our business through a dynamic portfolio of travel brands, including our majority-owned subsidiaries, that feature a broad multi-product supply portfolio — with approximately 3 million lodging properties available, including over 2 million online bookable alternative accommodations listings and approximately 875,000 hotels, over 500
Over 25 years ago, we began operations as one of the first online travel agencies (“OTAs”) and played a significant role in revolutionizing and democratizing travel, by empowering customers to manage their own travel plans. We did so by building and then leveraging proprietary technology to connect partners and their respective inventory to those travelers, while unlocking the marketplace for travel to other businesses as well. Since then, the travel industry has experienced significant transformation, including the material shift from offline to online travel booking. This transformation led to many years of exciting growth for OTAs along with increased competition. In order to remain innovative and competitive, we made several strategic acquisitions, which materially expanded the breadth and depth of our Company. Much of our strategy leading up to the COVID-19 pandemic focused on our brands competing aggressively for share all the around the world, each with their own offerings and benefits. While this avoided potential disruptions from integrating the acquired brands, it also created certain complexities and inefficiencies over time.

As a result, in 2020, we shifted to a platform operating model, which enabled us to deliver more scalable services and operate more efficiently. For example, we now manage our marketing investments holistically across the brand portfolio, allowing us to optimize results better, while running on a unified marketing technology platform has improved our performance marketing capabilities. More recently, we shifted to a more unified brand strategy within our Retail business where we have a combined team making decisions across all our brands. These changes were made in an effort to simplify and streamline our organization, improve our cost structure, and the operation of our business.

Within our B2B business, on November 1, 2021, the sale of Egencia to American Express Global Business Travel (“GBT”) was completed. As part of the transaction, Expedia Group received a minority ownership position in the combined business and entered into a 10-year lodging supply agreement with GBT. Moreover, As a result, in 2020, we shifted to a platform operating model, which enabled us to deliver more scalable services and operate more efficiently. For example, we now manage our marketing investments holistically across the brand portfolio, allowing us to optimize results better, while running on a unified marketing technology platform has improved our performance marketing capabilities. More recently, we shifted to a more unified brand strategy within our Retail business where we have a combined team making decisions across all our brands. These changes were made in an effort to simplify and streamline our organization, improve our cost structure, and the operation of our business.

Within our B2B business, on November 1, 2021, the sale of Egencia to American Express Global Business Travel (“GBT”) was completed. As part of the transaction, Expedia Group received a minority ownership position in the combined business and entered into a 10-year lodging supply agreement with GBT. Moreover, we have made good progress on the foundational work to help streamline and simplify the organization over roughly the past two years and therefore can now increase our focus on further improving the travel experience, which was also the Company’s underlying goal more than two decades ago.

**Market Opportunity and Business Strategy**

Expedia Group is one of the world's largest online travel companies, yet our gross bookings represent a single-digit percentage of total worldwide travel spending highlighting the size of our market opportunity. Phocuswright estimated global travel spending, inclusive of alternative accommodations at approximately $1.9 trillion in 2020 prior to the onset of COVID-19 with an increasing share booked through online channels each year.

As we endeavor to power global travel for everyone, everywhere our focus is to: leverage our brand and supply strength, and our platform, to provide greater services and value to our travelers, suppliers and business partners, and generate sustained, profitable growth.

**Leverage Brand and Supply Strength to Power the Travel Ecosystem.** We believe the strength of our brand portfolio and consistent enhancements to product and service offerings, combined with our global scale and broad-based supply, drive increasing value to customers and customer demand. With our significant global audience of travelers, and our deep and broad selection of travel products, we are also able to provide value to supply partners wanting to grow their business through a better understanding of travel retailing and consumer demand in addition to reaching consumers in markets beyond their reach. Our deep product and supply footprint allows us to tailor offerings to target different types of consumers and travel needs, employ geographic segmentation in markets around the world, and leverage brand differentiation, among other benefits. Recently, we shifted to more of a unified brand strategy with an increased focus on unifying our retail brands and teams under one centralized group, which we believe will enable us to drive further value to travelers. For example, in 2021, we announced plans to unify and expand our existing loyalty programs into one global rewards platform spanning all products and global brands. We also market to consumers through a variety of channels, including internet search, metasearch and social media websites, and having multiple brands appear in search results also increases the likelihood of attracting new visitors.

Our portfolio of brands, operated and organized by reportable segment are as follows:

**Retail.** Our Retail segment provides a full range of travel and advertising services to our worldwide customers through recognized consumer brands that target a variety of customer segments and geographic regions with tailored offerings. Our portfolio of retail brands include:

- **Brand Expedia.** Brand Expedia is a leading full-service online travel brand with localized websites in a wide range of countries around the world offering a wide selection of travel products and services. Across the more than 25 years
that Brand Expedia has been helping people travel with confidence and ease, we have learned that travelers benefit when Brand Expedia continually improves and optimizes its offering, to ensure that travelers the world over can book the trip they need, in the manner they choose, at any point and save.

- *Hotels.com*. Hotels.com focuses on marketing lodging accommodations with a vast footprint of localized websites worldwide.

- *Vrbo*. Vrbo (previously HomeAway), operates an online marketplace for the alternative accommodations industry. The Vrbo portfolio includes the vacation rental website, Vrbo, which operates localized websites around the world as well as other regional brands. Vrbo’s mission is to find every family the space they need to relax, reconnect, and enjoy precious time away together.

- Our other brands include Orbitz, Travelocity, ebookers and Wotif Group. These brands enable further connection to customers worldwide through targeted and unique marketing campaigns and access to various travel services and products.

**B2B.** Our B2B segment encompasses our Expedia Business Services organization, which includes Expedia Partner Solutions. Expedia Partner Solutions partners with businesses in a wide spectrum of countries across a wide range of travel and non-travel verticals including corporate travel management, airlines, travel agents, online retailers and financial institutions, who market Expedia Group rates and availabilities to their travelers. Expedia Partner Solutions’ partners can benefit from Expedia Group technology and supply in the way that best suits their business. This includes connecting to Expedia Group’s travel content through Expedia Partner Solutions’ API, Rapid; adopting one of Expedia Partner Solutions’ customized white label or co-branded ecommerce template solutions Hotels.com for partners; or Expedia.com for partners; or a powerful agent booking tool, Expedia TAAP. Prior to its sale on November 1, 2021, our B2B segment also included Egencia, which was our full-service travel management company.

*trivago.* Our trivago segment generates advertising revenue primarily from sending referrals to online travel companies and travel service providers from its hotel metasearch websites. trivago is our majority-owned hotel metasearch company, based in Dusseldorf, Germany. The online platform gives travelers access to price comparisons from hundreds of booking websites for millions of hotels and other accommodations. Officially launched in 2005, trivago is a leading global brand in hotel search and can be accessed worldwide. Subsequent to its initial public offering (“IPO”) in December 2016, the company is listed on the Nasdaq Global Select Market and trades under the symbol “TRVG.”

**Leverage Our Platform to Deliver More Rapid Product Innovation Resulting in Better Traveler Experiences.** During 2020, Expedia Group shifted to a platform operating model with more unified technology, product, data engineering and data science teams building services and capabilities that are leveraged across our business units to serve our end customers and provide value-add services to our travel suppliers. This model enables us to deliver more scalable services and operate more efficiently. All of our transaction-based businesses share and benefit from our platform infrastructure, including customer servicing and support, data centers, search capabilities and transaction processing functions, including payment processing and fraud operations.

As we continue to evolve our platform infrastructure, our focus is on developing technical capabilities that support various travel products while using common applications and frameworks. We believe this strategy will enable us to: build in parallel because of simpler, standard architecture; ship products faster; create more innovative solutions; and; achieve greater scale. And ultimately, we believe this will result in faster product innovation and therefore better traveler experiences, which is a bigger focus for the Company going forward. In addition, over time, as we enable domains around application development frameworks, we believe we can unlock additional platform service opportunities beyond our internal brands and other business travel partners.

We provide 24-hour-a-day, seven-day-a-week traveler sales and support by our virtual agent platform, telephone or e-mail. For purposes of operational flexibility, we use a combination of outsourced and in-house contact centers. Our contact centers are located in several countries throughout the world. We invested significantly in our contact center technologies, with the goal of improving customer experience and increasing the efficiency of our contact center agents, and have plans to continue reaping the benefits of these investments going forward. In addition, we have continued to invest in our conversation platform, which leverages technology and artificial intelligence to provide online customer service options and self-service capabilities to our customers through our websites and apps.

Our systems infrastructure and web and database servers are housed in various locations, mainly in the United States, which have 24-hour monitoring and engineering support. These data centers have their own generators and multiple back-up systems. Significant amounts of our owned computer hardware for operating the websites are located at these facilities. Additionally, we are in the midst of a multi-year project to migrate products, data storage and functionality and significantly increase our utilization of public cloud computing services, such as Amazon Web Services (“AWS”). For some critical systems,
we have both production and disaster-recovery facilities. Our technology systems are subject to certain risks, which are described below in Part I, Item 1A — Risk Factors.

**Business Models**

We make travel products and services available both on a stand-alone and package basis, primarily through the following business models: the merchant model, the agency model and the advertising model.

- **Merchant Model.** Under the merchant model, we facilitate the booking of hotel rooms, alternative accommodations, airline seats, car rentals and destination services from our travel suppliers and we are the merchant of record for such bookings. For example, we provide travelers access to book hotel room reservations through our contracts with lodging suppliers, which provide us with rates and availability information for rooms but for which we have no control over the rooms and do not bear inventory risk. Our travelers pay us for merchant hotel transactions prior to departing on their trip, generally when they book the reservation. The majority of our merchant transactions relate to lodging bookings.

- **Agency Model.** Under the agency model, we facilitate travel bookings and act as the agent in the transaction, passing reservations booked by the traveler to the relevant travel provider. We receive commissions or ticketing fees from the travel supplier and/or traveler. We record revenue on air transactions when the traveler books the transaction, as we do not typically provide significant post booking services to the traveler and payments due to and from air carriers are typically due at the time of ticketing. Additionally, we generally record agency revenue from the hotel when the stayed night occurs as we provide post booking services to the traveler and, thus consider the stay as when our performance obligation is satisfied; and

- **Advertising Model.** Under the advertising model we offer travel and non-travel advertisers access to a potential source of incremental traffic and transactions through our various media and advertising offerings across several of our transaction-based websites, as well as on our majority-owned metasearch site, trivago.

For the year ended December 31, 2021, we had total revenue of $8.6 billion, with merchant, agency and advertising, media and other accounting for 64%, 27%, and 9% of total revenue, respectively.

We continue to see closer integration of the agency hotel product with our core merchant product through our Expedia Traveler Preference (ETP) program by offering, for participating hotels, customers the choice of whether to pay Expedia Group in advance under our merchant model (Expedia Collect) or pay at the hotel at the time of the stay under the agency model (Hotel Collect).

In addition, through various of our Expedia Group-branded and other multi-product websites, travelers can dynamically assemble multiple component travel packages for a specified period at a lower price as compared to booking each component separately. Travelers typically select packages based on the total package price or by purchasing one product and receiving a discounted price to attach additional products. The use of the merchant travel components in packages and multi-product purchases enable us to make certain travel products available at prices lower than those charged on an individual component basis by travel suppliers without impacting their other pricing models. In addition, we also offer third-party pre-assembled package offerings, primarily through our international points of sale, further broadening our scope of products and services to travelers. We expect the package product to continue to be marketed primarily using the merchant model.

**Marketing and Promotions**

Our marketing programs are intended to build and maintain the value of our various brands, drive traffic and ultimately bookings through our various brands and businesses, optimize ongoing traveler acquisition costs and strategically position our brands in relation to one another. Our long-term success and profitability depends on our continued ability to maintain and increase the overall number of traveler transactions flowing through our brand and shared global platforms in a cost-effective manner, as well as our ability to attract repeat customers and customers that come directly to our websites. We manage our marketing investments holistically across the brand portfolio in our Retail segment to optimize results for the Company, and making decisions on a market by market and customer segment basis that we think are appropriate based on the relative growth opportunity, the expected returns and the competitive environment.

Our marketing channels primarily include online advertising, including search engine marketing and optimization as well as metasearch, social media websites, brand advertising through online and offline channels, loyalty programs, mobile apps and direct and/or personalized traveler communications on our websites as well as through direct e-mail communication with our travelers. Our marketing programs and initiatives include promotional offers such as coupons as well as seasonal or periodic special offers from our travel suppliers based on our supplier relationships. Our current traveler loyalty programs include Hotels.com Rewards on Hotels.com global websites and Expedia®Rewards on a wide array of Brand Expedia points of sale, as well as Orbitz Rewards on Orbitz.com. In 2021, we announced plans to unify and expand our existing loyalty programs into
one global rewards platform spanning all products and global brands. The cost of our loyalty programs is recorded as a reduction of revenue in our consolidated financial statements.

We also make use of affiliate marketing. Several of our branded websites receive bookings from consumers who have clicked-through to the respective websites through links posted on affiliate partner websites. Affiliate partners can also make travel products and services available on their own websites through a Brand Expedia, Hotels.com or Vrbo co-branded offering or a private label website. Our Expedia Partner Solutions business provides our affiliates with technology and access to a wide range of products and services. We manage agreements with thousands of third-party affiliate partners pursuant to which we pay a commission for bookings originated from their websites.

**Travel Suppliers**

*Overview.* We make travel products and services available from a variety of hotel companies, property owners and managers, large and small commercial airlines, car rental companies, cruise lines, destination service providers, and other travel partners. We seek to build and maintain long-term, strategic relationships with travel suppliers and global distribution system (“GDS”) partners. An important component of the success of our business depends on our ability to maintain our existing, as well as build new, relationships with travel suppliers and GDS partners.

We strive to deliver value to our travel supply partners through a wide range of innovative, targeted merchandising and promotional strategies designed to generate consumer demand and increase their revenue, while simultaneously reducing their overall marketing transaction and customer service costs. Our strategic account managers and local hotel market managers work directly with travel suppliers to optimize the exposure of their travel products and brands through our points of sale, including participation in need-based, seasonal and event-driven promotions and experimentation within the new channels we are building.

We developed proprietary technology to assist hotel suppliers in managing, pricing and marketing their supply. Our “direct connect” technology allows hotels to upload information about available products and services and rates directly from their central reservation systems and to automatically confirm hotel reservations made by our travelers. Proprietary marketing tools assist hotels in tailoring demand to their requirements and our revenue management product provides pricing insight based on Expedia Group data and analytics. Our suite of white label website offerings power hotel, package and meeting space booking on suppliers’ own websites.

In addition, Vrbo's alternative accommodation listing services includes a set of tools for property owners or managers, which enables them to manage an availability calendar, reservations, inquiries and the content of the listing, as well as provide various other services for property owners or managers to manage reservations or drive incremental sales volume.

**Distribution Partners.** GDSs, also referred to as computer reservation services, provide a centralized, comprehensive repository of travel suppliers’ ‘content’ — such as availability and pricing of seats on various airline point-to-point flights, or ‘segments.’ The GDSs act as intermediaries between the travel suppliers and travel agencies, allowing agents to reserve and book flights, rooms or other travel products. Our relationships with GDSs primarily relate to our air business. We use Sabre, Amadeus and Travelport as our GDS segment providers in order to ensure the widest possible supply of content for our travelers.

**Competition**

Our brands compete in rapidly evolving and intensely competitive markets. We believe international markets represent especially large opportunities for Expedia Group and those of our competitors that wish to expand their brands and businesses abroad to achieve global scale. We also believe that Expedia Group is one of only a few companies that are focused on building a truly global, travel marketplace.

Our competition, which is strong and increasing, includes online and offline travel companies that target leisure and corporate travelers, including travel agencies, tour operators, travel supplier direct websites and their call centers, consolidators and wholesalers of travel products and services, large online portals and search websites, certain travel metasearch websites, mobile travel applications, social media websites, as well as traditional consumer ecommerce and group buying websites. We face these competitors in local, regional, national and/or international markets. In some cases, competitors are offering more favorable terms and improved interfaces to suppliers and travelers which make competition increasingly difficult. We also face competition for customer traffic on internet search engines and metasearch websites, which impacts our customer acquisition and marketing costs.

We believe that maintaining and enhancing our brands is a critical component of our effort to compete. We differentiate our brands from our competitors primarily based on the multiple channels we use to generate demand, quality and breadth of travel products, channel features and usability, price or promotional offers, traveler service and quality of travel planning content and advice as well as offline brand efforts. The emphasis on one or more of these factors varies, depending on the brand or business and the related target demographic. Our brands face increasing competition from travel supplier direct websites. In
some cases, supplier direct channels offer advantages to travelers, such as long standing loyalty programs, complimentary services such as Wi-Fi, and better pricing. Our websites feature travel products and services from numerous travel suppliers, and allow travelers to combine products and services from multiple providers in one transaction. We face competition from airlines, hotels, alternative accommodation websites, rental car companies, cruise operators and other travel service providers, whether working individually or collectively, some of which are suppliers to our websites. Our business is generally sensitive to changes in the competitive landscape, including the emergence of new competitors or business models, and supplier consolidation.

Intellectual Property Rights

Our intellectual property and appurtenant rights, including our patents, trademarks, copyright rights, domain names, trade dress, proprietary technology, and trade secrets, are important components of our business. For example, we rely heavily upon our intellectual property and proprietary information in our content, brands, domain names and website URLs, software code, proprietary technology, ratings indexes, informational databases, images, graphics and other components that support and make up our services. We have acquired some of our intellectual property rights and proprietary information through acquisitions, as well as licenses and content agreements with third parties.

We protect our intellectual property and proprietary information through registration and by relying on our terms of use, confidentiality procedures and contractual provisions, as well as international, national, state and common law rights. In addition, we enter into confidentiality and invention assignment agreements with employees and contractors, and license and confidentiality agreements with other third parties. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use our trade secrets or our intellectual property and proprietary information without authorization which, if discovered, might require the uncertainty of legal action to correct. In addition, there can be no assurance that others will not independently and lawfully develop substantially similar properties.

We maintain our trademark portfolio by filing trademark applications with national trademark offices, maintaining appropriate registrations, securing contractual trademark rights when appropriate, and relying on common law trademark rights when appropriate. We also register copyrights and domain names as we deem appropriate and necessary, respectively. We protect our trademarks, copyrights and domain names with an enforcement program and use of intellectual property licenses. Trademark and intellectual property protection may not be available or may not be sought, sufficient or effective in every jurisdiction where we operate. Contractual disputes or limitations may affect the use of trademarks and domain names governed by private contract.

We have considered, and will continue to consider, the appropriateness of filing for patents to protect inventions and obtaining licenses in patents as circumstances may warrant. However, patents protect only specific inventions and there can be no assurance that others may not create new products or methods that achieve similar results without infringing upon patents owned by us. We also protect some inventions and methods by maintaining them as trade secrets, either because it provides superior and potentially longer-termed protection, or because the invention is not patentable but provides us with a competitive advantage.

In connection with our copyrightable content, we post and institute procedures under the Digital Millennium Copyright Act and similar Host Privilege statutes worldwide to gain immunity from copyright liability for photographs, text and other content uploaded by users. However, differences between statutes, limitations on immunity, and moderation efforts may affect our ability to claim immunity.

From time to time, we may be subject to legal proceedings and claims in the ordinary course of our business, including claims of alleged infringement or infringement by us of the trademarks, copyrights, patents and other intellectual property rights of third parties. In addition, litigation may be necessary in the future to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights claimed by others. Any such litigation, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could materially harm our business.

Regulation

We must comply with laws and regulations relating to the travel industry, the alternative accommodation industry and the provision of travel services, including registration in various states as “sellers of travel” and compliance with certain disclosure requirements and participation in state restitution funds. In addition, our businesses are subject to regulation by the U.S. Department of Transportation and must comply with various rules and regulations governing the provision of air transportation, including those relating to advertising and accessibility.
In international markets, we are increasingly subject to laws and regulations applicable to travel agents or tour operators in those markets, including, in some countries, pricing display requirements, licensing and registration requirements, mandatory bonding and travel indemnity fund contributions, industry specific value-added tax regimes and laws regulating the provision of travel packages. For example, the European Economic Community Council Directive on Package Travel, Package Holidays and Package Tours imposes various obligations upon marketers of travel packages, such as disclosure obligations to consumers and liability to consumers for improper performance of the package, including supplier failure.

We are also subject to consumer protection, privacy and consumer data, labor, economic and trade sanction programs, tax, and anti-trust and competition laws and regulations around the world that are not specific to the travel industry. For example, the California Consumer Privacy Act (CCPA) came into force in January 2020, which applies enhanced data protection requirements in the State of California similar to those that have existed since 2018 under the European Union's General Data Protection Regulation (GDPR). Similar laws are currently under discussion in other jurisdictions.

Compliance with these laws, rules and regulation has not had, and is not expected to have, a material effect on our capital expenditures, results of operations and competitive position as compared to prior periods. However, certain laws and regulations have not historically been applied in the context of online travel companies, so there can be uncertainty regarding how these requirements may relate to our business in the future.

Human Capital Management

People, Company Culture and Total Rewards

At Expedia Group, our mission is to power global travel for everyone, everywhere. We believe travel is a force for good, and we are committed to making it more accessible and enjoyable for everyone. As of December 31, 2021, we have a team of 14,800 employees across more than 50 countries focused on using our extensive data and technology to create amazing travel experiences. As of December 31, 2021, nearly one half of our people work in technology roles.

We aim to go above and beyond to take care of our people – giving them opportunities to grow and develop, and provide benefits that allow them to fuel their passion for travel and resources to help them take care of their well-being. While the competition for talent is fierce, particularly in the United States and Seattle, where our headquarters are located, we believe we offer something different: An opportunity to strengthen connections, broaden horizons and bridge divides through travel. We know the power of travel and understand the amazing things we can achieve by making it more accessible to everyone. And we are focused on attracting and retaining the best and brightest people to help us do that. To that end, we offer competitive compensation and differentiated benefits, including healthcare and retirement programs, wellness and travel reimbursement, an employee assistance program, an employee stock purchase program, time-off programs, volunteer days off, a transportation program, onsite medical care and travel discounts, among others.

Inclusion and Diversity

To best serve our employees, customers, partners and community, we aim to build inclusive and diverse workplaces that prioritize and value a sense of belonging, respect, voice and equal opportunity with initiatives such as:

- Employee-led Inclusion Business Groups, which are employee resource groups focused on promoting awareness related to race, ethnicity, sexual orientation, military status, disability and gender, as well as allyship for underrepresented identities;
- Learning programs addressing bias and exclusive practices within traditional recruitment, hiring and marketing processes;
- An employee onboarding program that includes a robust focus on intercultural awareness, ally skills and our Inclusion Business Groups;
- Employment and hiring targets for women to occupy 50% of roles at all levels by the end of 2025 and for 25% of U.S. external hires to come from racially and ethnically underrepresented groups;
- The utilization of employee surveys and external benchmarking to understand and address identity-based trends in order to set clear goals, create strategies and measure progress for increased headcount, hiring, compensation, advancement and retention of underrepresented employee groups; and
- Programs with our travel partners to focus on underserved travelers and drive industry engagement related to inclusion and diversity, and participation in outreach related to these efforts in local and global communities.
COVID-19 Response

As the COVID-19 pandemic has continued, our employees remain focused on providing positive experiences for travelers. Most of our offices were closed to ensure the health and safety for our employees who transitioned to working from their homes. Subsequently, we have opened the majority of our global offices with additional safety measures including contact tracing, enhanced cleaning, and ongoing communications. We continue to actively monitor health and safety guidance from local governments. We also took several actions to provide additional support to our employees during this period, including:

- The continued expansion of our wellness reimbursement program, which provides reimbursement for certain health and wellness expenses, to allow employees to use the benefit for the purchase of home office equipment, virtual mental and emotional health services amongst providing the flexibility to avail any well-being related goods and services for themselves and their families;
- Recognizing the need for greater wellness assistance, we provided employees with the flexibility to use our travel reimbursement benefit program for health and wellness expenses and vice versa. We also launched a global chat-based mental health clinical support resource for employees to expand access to these services;
- Maintaining a COVID-19 Resource Center, providing quick access to important resources for employees working from home, including mental and physical health resources, access to our employee assistance program, regular updates from our Inclusion & Diversity Team, social discussion forums, locally organized vaccination drives, and regular updates on office closings and re-openings; and
- A Junior Journeys and a YMCA partnership, focused on connecting employees who are caregivers to resources that provide needed support for children, including homework help, IT support and storytelling.

Equity Ownership and Voting Control

As of December 31, 2021, there were approximately 150.1 million shares of Expedia Group common stock and approximately 5.5 million shares of Expedia Group’s Class B common stock outstanding. Expedia Group stockholders are entitled to one vote for each share of common stock and ten votes for each share of Class B common stock outstanding. As of December 31, 2021, Mr. Diller and The Diller Foundation d/b/a The Diller-von Furstenberg Family Foundation (the “Family Foundation”), on whose board of directors Mr. Diller and certain of his family members serve as directors, collectively owned 100% of Expedia Group’s outstanding Class B common stock (or, assuming conversion of all shares of Class B common stock into shares of common stock, collectively owned approximately 4% of Expedia Group’s outstanding common stock), representing approximately 27% of the total voting power of all shares of Expedia Group common stock and Class B common stock outstanding. Mr. Diller and the Family Foundation acquired the 5.5 million shares of Expedia Class B common stock they currently own (the “Original Shares”) pursuant to an exchange of the same number of shares of Expedia Group common stock with Liberty Expedia Holdings, Inc. (“Liberty Expedia Holdings”) in connection with Expedia Group’s acquisition of Liberty Expedia Holdings on July 26, 2019.

As a result of his ownership interests and voting power, Mr. Diller is in a position to influence, and potentially control, significant corporate actions, including corporate transactions such as mergers, business combinations or dispositions of assets.

The foregoing summary is qualified in its entirety by reference to the full text of the Settlement Order entered January 19, 2022, and the Stipulation of Compromise and Settlement dated November 2, 2021 filed as Exhibit 99.1 and Exhibit 99.2, respectively, to this Annual Report on Form 10-K.

Additional Information

Company Website and Public Filings. We maintain a corporate website at www.expediagroup.com. Except as explicitly noted, the information on our website, as well as the websites of our various brands and businesses, is not incorporated by reference in this Annual Report on Form 10-K, or in any other filings with, or in any information furnished or submitted to, the SEC. We make available, free of charge through our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to those reports, filed or furnished pursuant to Sections 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after they have been electronically filed with, or furnished to, the SEC. In addition, the SEC’s website, www.sec.gov, contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The content on the SEC’s website referred to above in this Form 10-K is not incorporated by reference in this Form 10-K unless expressly noted.

Code of Ethics. We have adopted a Code of Business Conduct and Ethics for Directors and Senior Financial Officers (the “Code of Ethics”) that applies to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller, and is a “code of ethics” as defined by applicable rules of the SEC. The Code of Ethics is posted on our corporate website at www.expediagroup.com/Investors under the “Corporate Governance” tab. If we make any substantive amendments to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics to our Chief
The COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on the travel industry and our business, financial performance and liquidity position.

COVID-19 Pandemic and Travel Industry Risks

The COVID-19 pandemic has severely restricted the level of economic activity around the world, had an unprecedented effect on the global travel industry and materially and negatively impacted our business, financial results and financial condition.

Since the first quarter of 2020, the governments of many countries, states, cities and other geographic regions have implemented, and continue to implement, a variety of containment measures, including travel restrictions, bans and advisories, instructions to practice social distancing, curfews, quarantine advisories, including quarantine restrictions after travel in certain locations, “shelter-in-place” orders, required closures of non-essential businesses, vaccination mandates or requirements for businesses to confirm employees’ vaccination status, and other restrictions. During the course of the pandemic, governments have implemented additional containment measures in response to new variants of the virus, including most-recently in response to the Omicron variant. Individuals’ ability to travel has also been curtailed through border closures, mandated travel restrictions and limited operations of hotels and airlines, and may be further limited through additional voluntary or mandated closures of travel-related businesses. While the process of vaccinating their residents against COVID-19 is underway in many countries, with various levels of success, the large scale and challenging logistics of distributing the vaccines, the unavailability of vaccines in many regions, the impact of vaccine hesitancy, as well as uncertainty over the efficacy of the vaccine against new variants of the virus, may all contribute to delays in economic recovery, particularly for the travel industry.

The measures implemented to contain the COVID-19 pandemic have at times led to significantly heightened levels of cancellations and continues to have a negative impact on the number of new travel bookings. Moreover, we have modified our cancellation policies in light of the COVID-19 pandemic and will continue to adapt our cancellation policies as the situation evolves. The significant increase in refunds that we experienced in 2020 and may continue to experience has led to materially negative cash flow, which has and will continue to negatively impact our cash balance and overall liquidity position until travel demand begins to recover from current levels. We also may be negatively impacted by the loss of opportunity to cross-sell or market products and services to customers who originally booked air travel with us, but who will ultimately redeem air travel credits received during the COVID-19 pandemic directly from the airlines. We may also face inquiries and investigations from government regulators who claim that we should have refunded travelers or taken actions to otherwise provide redress to travelers who could not travel due to COVID-19 restrictions.

The pandemic has impeded global economic activity for an extended period and could continue to do so, even as restrictions are moderated or lifted and vaccines become more widely distributed, leading to a continuation of the already significant decrease in per capita income and disposable income, increased and sustained unemployment or a decline in consumer confidence, all of which could significantly reduce discretionary spending by individuals and businesses on travel. In turn, that could have a negative impact on demand for our services and could lead our partners, or us, to reduce prices or offer incentives to attract travelers. We also cannot predict the long-term effects of the COVID-19 pandemic on our partners and their business and operations or the ways that the pandemic may fundamentally alter the travel industry. In particular, we may need to adapt to a travel industry with fewer and different suppliers as well as structural changes to certain types of travel.

While we have undertaken certain actions to attempt to mitigate the effects of COVID-19 on our business, our cost-savings activities may lead to disruptions in our business, inability to enhance or preserve our brand awareness, reduced employee morale and productivity, increased attrition, and problems retaining existing and recruiting future employees, all of which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

For the reasons set forth above and other reasons that may come to light as the COVID-19 pandemic and containment measures evolve over time, it is difficult to estimate with accuracy the impact to our future revenues, results of operations, cash flows, liquidity or financial condition, but such impacts have been and will continue to be significant and could continue to have a material adverse effect on our business, financial condition, results of operations, cash flows and liquidity position for the foreseeable future.
We operate in an intensely competitive global environment and we may be unable to compete successfully with our current or future competitors.

The market for the services we offer is intensely competitive. We compete with both established and emerging online and traditional providers of travel-related services, including online travel agencies; alternative accommodation providers, wholesalers and tour operators; travel product suppliers (including hotels, airlines and car rental companies); search engines and large online portal websites; travel metasearch services; corporate travel management service providers; mobile platform travel applications; social media websites; eCommerce and group buying websites; and other participants in the travel industry.

**Online travel agencies and alternative accommodations providers.** In particular, we face increasing competition from other OTAs and alternative accommodations in many regions, such as Booking Holdings (through its Booking.com and Agoda.com websites), TripAdvisor, and Airbnb, any of which may have more favorable offerings for travelers or suppliers, including pricing and supply breadth. Our OTA competitors are increasingly expanding the range of travel services they offer and the global OTA segment continues to consolidate, with certain competitors merging or forming strategic partnerships. Airbnb, Booking Holdings and other providers of alternative accommodations provide an alternative to hotel rooms and compete with alternative accommodation properties available through Expedia Group brands, including Vrbo. The continued growth of alternative accommodation providers could affect overall travel patterns generally, and the demand for our services specifically, in facilitating reservations at hotels and alternative accommodations. Furthermore, Airbnb has, and similar providers could, increasingly look to add other travel services, such as tours, activities, hotel and flight bookings, any of which could further extend their reach into the travel market as they seek to compete with the traditional OTAs.

**Travel suppliers.** Travel suppliers, such as hotels, airlines and rental car companies, may offer products and services on more favorable terms to consumers who transact directly with them. Many of these competitors have been steadily focusing on increasing online demand on their own websites and mobile applications in lieu of third-party distributors through favorable rates and bonus or loyal points for direct booking, surcharges for booking outside of the supplier’s own website, suppliers combining to establish a single search platform and other tactics to drive traffic directly to supplier websites.

**Search engines and large online portal websites.** We also face increasing competition from Google and other search engines. There could be a material adverse impact on our business and financial performance to the extent that Google continues to use its market position to disintermediate online travel agencies through its own offerings or capabilities, refer customers directly to suppliers or other favored partners, increase the cost of traffic directed to our websites, offer the ability to transact on its own website, or promote its own competing products by placing its own offerings at the top of organic search results.

In recent years search engines have increased their focus on acquiring or launching travel products that provide increasingly comprehensive travel planning content and direct booking capabilities, comparable to OTAs. For example, Google has continued to add features and functionality to its travel metasearch products (“Google Travel”, “Google Flights”, and “Hotel Ads”), which are growing rapidly, and has integrated reservation functionality into the Hotel Ads product. In addition, Google may be able to leverage the data they collect on users to the detriment of us and other OTAs. Search engines also may continue to expand their voice and artificial intelligence capabilities. To the extent these actions have a negative effect on our search traffic or the cost of acquiring such traffic, our business and financial performance could be adversely affected.

In addition, our brands, or brands in which we hold a significant ownership position, including trivago, compete for advertising revenue with these search engines, as well as with large internet portal sites that offer advertising opportunities for travel-related companies. Competition could result in higher traffic acquisition costs, reduced margins on our advertising services, loss of market share, reduced customer traffic to our websites and reduced advertising by travel companies on our websites.

**Travel metasearch websites.** Travel metasearch websites, including Kayak.com (a subsidiary of Booking Holdings), trivago (a majority-owned subsidiary of Expedia Group), TripAdvisor, Skyscanner and Qunar (both are subsidiaries of Trip.com), aggregate travel search results for a specific itinerary across supplier, travel agent and other websites. In addition, some metasearch websites have looked to add various forms of direct or assisted booking functionality to their sites in direct competition with certain of our brands. To the extent the metasearch websites limit our participation within their search results, or consumers utilize a metasearch website for travel services and bookings instead of ours, our traffic-generating arrangements could be affected in a negative manner, or we may be required to increase our marketing costs to maintain market share, either of which could have an adverse effect on our business and results of operations. In addition, as a result of our majority ownership interest in trivago, we also now compete more directly with other metasearch engines and content aggregators for advertising revenue. To the extent that trivago’s ability to aggregate travel search results for a specific itinerary across supplier, travel agent and other websites is hampered, whether due to its affiliation with us or otherwise, or if OTA advertisers or suppliers choose to limit their participation in trivago’s metasearch marketplace, trivago’s business and therefore our results of operations could be adversely affected and the value of our investment in trivago could be negatively impacted.

**Corporate travel management service providers.** By virtue of our minority ownership stake in, and long-term supply
agreement, GBT, we compete indirectly with online and traditional corporate travel providers, as well as vendors of corporate travel and expense management software and services. Our brands also compete to attract unmanaged business travelers.

Mobile and other platform travel applications. The demand for and functionality of smartphones, tablet computers and home assistants continue to grow and improve significantly. If we are unable to offer innovative, user-friendly, feature-rich mobile applications and mobile-responsive websites for our travel services, along with effective marketing and advertising, or if our mobile applications and mobile-responsive websites are not used by consumers, we could lose market share to existing competitors or new entrants and our future growth and results of operations could be adversely affected.

Applications and social media websites. Applications and social media websites, including Facebook, continue to develop search functionality for data included within their websites and mobile applications, which may in the future develop into an alternative research and booking resource for travelers, resulting in additional competition.

eCommerce and group buying websites. Traditional consumer eCommerce platforms, including Amazon and Alibaba, and group buying websites have periodically undertaken efforts to expand their local offerings into the travel market. For example, traditional consumer eCommerce and group buying websites may add hotel offers or other travel services to their sites. To the extent our travelers use these websites, these websites may create additional competition and could negatively affect our businesses.

Other participants in the travel industry. Other participants or existing competitors may begin to offer or expand other services to the travel industry that compete with the services we offer to our travelers, our travel industry affiliates and partners, or our corporate clients. For example, ride-sharing apps increasingly compete with traditional car rental services and travel services continue to proliferate. To the extent any of these services gain market share over time, it may create additional competition and could negatively affect our businesses.

In general, increased competition has resulted in, and may continue to result in, reduced margins, as well as loss of travelers, transactions and brand recognition and we cannot assure you that we will be able to compete successfully against any current, emerging and future competitors or on platforms that may emerge, or offer differentiated products and services to our travelers. Increasing competition from current and emerging competitors, the introduction of new technologies and the continued expansion of existing technologies, such as metasearch and other search engine technologies, may force us to make changes to our business models, which could affect our financial performance and liquidity. Some of our competitors may also have other significant advantages, such as greater financial resources or name recognition, more favorable corporate structures, or a broader global presence, among others.

Declines or disruptions in the travel industry could adversely affect our business and financial performance.

In addition to the impact of the COVID-19 pandemic and other potential pandemic or health-related events, our business and financial performance are affected by the overall health of the worldwide travel industry. Factors that could negatively affect the travel industry in general and our business in particular, potentially materially, include: political instability, geopolitical conflicts, trade disputes, significant fluctuations in currency values, sovereign debt issues, macroeconomic concerns, bans on travel to and from certain countries, significant changes in oil prices, continued air carrier and hotel chain consolidation, reduced access to discount fares, travel strikes or labor unrest, labor shortages, whether due to the impact of the COVID-19 pandemic or otherwise, bankruptcies or liquidations, increased incidents of actual or threatened terrorism, natural disasters, travel-related accidents or grounding of aircraft due to safety concerns, and changes to visa and immigration requirements or border control policies. Our business is also sensitive to fluctuations in hotel supply, occupancy and Average Daily Rates (“ADRs”), changes in airline capacity and airline ticket prices and the imposition of taxes or surcharges by regulatory authorities, all of which we have experienced historically.

Our businesses may also be negatively impacted by direct and indirect impacts of climate change. Direct effects may include disruptions to travel due to more frequent or severe storms, hurricanes, flooding, rising sea levels, shortages of water, droughts and wildfires, and indirect effects may include new travel-related regulations, policies or conditions related to sustainability and climate change concerns.

Because these events or concerns, and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel behavior by consumers and decrease demand. Decrease in demand, depending on its scope and duration, together with any future issues affecting travel safety, could significantly and adversely affect our business, working capital and financial performance over the short and long-term. In addition, the disruption of the existing travel plans of a significant number of travelers upon the occurrence of certain events, such as severe weather conditions, actual or threatened terrorist activity, war or travel-related health events, could result in significant additional costs and decrease our revenues leading to constrained liquidity if we, as we have done historically in the case of severe weather conditions and travel-related health events, provide relief to affected travelers by refunding the price or fees associated with airline tickets, hotel reservations and other travel products and services.
Our business depends on our relationships with travel suppliers and travel distribution partners.

An important component of our business success depends on our ability to maintain and expand relationships with travel suppliers (including owners and managers of alternative accommodation properties) and GDS partners. A substantial portion of our revenue is derived from compensation negotiated with travel suppliers, in particular lodging suppliers, airlines and GDS partners for bookings made through our channels. Each year we typically negotiate or renegotiate numerous supplier contracts.

No assurances can be given that travel suppliers will elect to participate in our platform, or that our compensation, access to inventory or access to inventory at competitive rates will not be further reduced or eliminated in the future, or that travel suppliers will not reduce the cost of their products or services (for example, ADRs or ticket prices); attempt to implement costly direct connections; charge us for or otherwise restrict access to content; increase credit card fees or fees for other services; fail to provide us with accurate booking information or otherwise take actions that would increase our operating expenses. Any of these actions, or other similar actions, could reduce our revenue and margins thereby adversely affecting our business and financial performance.

Financial Risks

We may experience constraints in our liquidity and may, whether due to the COVID-19 pandemic or other factors out of our control, be unable to access capital when necessary or desirable, either of which could harm our financial position.

If our liquidity is materially diminished, we may not be able to timely pay debts or leases or comply with material provisions of our contractual obligations. Although our cash flows from operations and available capital, including the proceeds from financing transactions, have been sufficient to meet obligations and commitments to date, we cannot predict how the COVID-19 pandemic and resulting economic impacts could affect our liquidity in the future. Our substantial indebtedness, the availability of assets as collateral for loans or other indebtedness, and market conditions may make it difficult for us to raise additional capital on commercially reasonable terms to meet potential future liquidity needs.

In addition to the impact of the COVID-19 pandemic and other potential pandemic or health-related events, we have experienced, and may experience in the future, declines in seasonal liquidity and capital provided by our merchant hotel business, which has historically provided a meaningful portion of our operating cash flow and is dependent on several factors, including the rate of growth of our merchant hotel business and the relative growth of businesses which consume rather than generate working capital, such as our agency hotel, advertising and managed corporate travel businesses and payment terms with suppliers. If, as was the case in 2020, our merchant hotel business declines, it would likely result in further pressure on our working capital cash balances, cash flow over time and liquidity.

Our ability to raise financing depends in significant measure on characteristics of the capital and credit markets and liquidity factors over which we exert no control. In light of uncertainty in the capital and credit markets and constraints on our liquidity, we cannot guarantee that sufficient financing will be available on desirable, or any terms, to fund investments, acquisitions, stock repurchases, dividends, debt refinancing or other actions or that our counterparties in any such financings would honor their contractual commitments. In addition, any downgrade of our debt ratings by Standard & Poor’s, Moody’s Investor Service, Fitch or similar ratings agencies, deterioration of our financial condition, increase in general interest rate levels and credit spreads or overall weakening in the credit markets could increase our cost of capital (including, with respect to ratings downgrades, the interest rate applicable to certain of our outstanding senior notes).

We have significant indebtedness, which could adversely affect our business and financial condition.

As of December 31, 2021, we have outstanding long-term indebtedness, excluding current maturities, with a face value of $7.8 billion and we have revolving credit facilities with outstanding commitments totaling $2.0 billion, which is essentially untapped. Risks relating to our indebtedness include:

- Increasing our vulnerability to general adverse economic and industry conditions;
- Requiring us to dedicate a portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- Making it difficult for us to optimally capitalize and manage the cash flow for our businesses;
- Limiting our flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate;
- Placing us at a competitive disadvantage compared to our competitors that have less debt; and
- Limiting our ability to borrow additional funds or to borrow funds at rates or on other terms we find acceptable.
The agreements governing our indebtedness contain various covenants that may limit our ability to effectively operate our businesses, including those that restrict our ability to, among other things:

- Borrow money, and guarantee or provide other support for indebtedness of third parties including guarantees;
- Pay dividends on, redeem or repurchase our capital stock;
- Enter into certain asset sale transactions, including partial or full spin-off transactions;
- Enter into secured financing arrangements;
- Acquire businesses of, or make investments in, third parties;
- Move assets among our subsidiaries or restructure our group;
- Enter into sale and leaseback transactions; and
- Enter into unrelated businesses.

In addition, our revolving credit facilities require that we meet certain financial tests, including a leverage ratio test.

Any failure to comply with the restrictions of our credit facilities or any agreement governing our other indebtedness (including the indentures governing our outstanding senior notes) may result in an event of default under those agreements. Such default may allow the creditors to accelerate the related debt, which acceleration may trigger cross-acceleration or cross-default provisions in other debt. In addition, lenders may be able to terminate any commitments they had made to supply us with further funds and our secured lenders may be able to foreclose against the assets constituting collateral for our secured debt. In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business or otherwise. The terms of our revolving credit facilities and the indentures governing our outstanding senior notes allow us to incur additional debt subject to certain limitations. If new debt is added to current debt levels, the risks described above could intensify.

Operational Risks

Our business could be negatively affected by changes in search engine algorithms and dynamics or other traffic-generating arrangements.

We rely heavily on internet search engines, such as Google, through the purchase of travel-related keywords and through organic search, to generate a significant portion of the traffic to our websites and the websites of our affiliates. Search engines frequently update and change the logic that determines the placement and display of results of a user’s search, such that the placement or cost of links to our websites and those of our affiliates can be negatively affected. In addition, a significant amount of traffic is directed to our websites and those of our affiliates through participation in pay-per-click and display advertising campaigns on search engines, including Google, and travel metasearch websites, including Kayak, TripAdvisor and trivago. Pricing and operating dynamics for these traffic sources can change rapidly, both technically and competitively. Moreover, a search or metasearch engine could, for competitive or other purposes, alter its search algorithms or display of results which could cause a website to place lower in search query results or inhibit participation in the search query results. In particular, Google has in the past, and may continue to in the future, change its algorithms or results in a manner that has negatively affected the search engine ranking, paid and unpaid, of our websites and the websites of our affiliates and those of our third-party distribution partners, which has adversely impacted our business and financial performance. Google has also increasingly added its own travel search functionality and content at the expense of traditional paid listings and organic search results, which may continue to reduce the amount of traffic to our websites or those of our affiliates. If Google or other search or metasearch companies continue to pursue these or similar strategies, which is out of our control, or we do not successfully manage our paid and unpaid search strategies, we could face a significant decrease in traffic to our websites and/or increased costs related to replacing unpaid traffic with paid traffic.

We rely on the value of our brands, and the costs of maintaining and enhancing our brand awareness are increasing.

We invest considerable financial and human resources in our brands in order to retain and expand our customer base in existing and emerging markets. We expect that the cost of maintaining and enhancing our brands will continue to increase and given the economic uncertainty and unpredictability around when the travel industry will recover, decisions we make on investing in brands could be less effective and costlier than expected.

In recent years, certain online travel companies and metasearch websites expanded their offline and digital advertising campaigns globally, increasing competition for share of voice, and we expect this activity to continue in the future. We are also pursuing and expect to continue to pursue long-term growth opportunities, particularly in emerging markets, which have had and may continue to have a negative impact on our overall marketing efficiency.
Our efforts to preserve and enhance consumer awareness of our brands may not be successful, and, even if we are successful in our branding efforts, such efforts may not be cost-effective, or as efficient as they have been historically, resulting in less direct traffic and increased customer acquisition costs. Moreover, branding efforts with respect to some brands within the Expedia Group portfolio have in the past and may in the future result in marketing inefficiencies and negatively impact growth rates of other brands within our portfolio. In addition, our decisions over allocation of resources and choosing to invest in branding efforts for certain brands in our portfolio at the expense of not investing in, or reducing our investments in, other brands in our portfolio could have an overall negative financial impact. If we are unable to maintain or enhance consumer awareness of our brands and generate demand in a cost-effective manner, it would have a material adverse effect on our business and financial performance.

We are subject to payments-related risks.

Payments Regulations. The processing and acceptance of a variety of payment methods is subject to various laws, rules, regulations, legal interpretations, and regulatory guidance, including those governing cross-border and domestic money transmission and funds transfers; foreign exchange; payment services; and consumer protection. If we were found to be in violation of applicable laws or regulations, we could be subject to additional requirements and civil and criminal penalties, or forced to cease providing certain services.

Moreover, for existing and future payment options we offer to both our customers and suppliers, we are and may increasingly be subject to additional regulations and compliance requirements including obligations to implement enhanced authentication processes, such as the EEA’s Revised Payment Services Directive (“PSD2”), which came into effect on January 1, 2021. PSD2 imposes new standards for payment security and strong customer authentication that may make it more difficult and time consuming to carry out a payment transaction which could result in significant costs to us and our suppliers and reduce the ease of use of our payments options.

Third-Party Payment Service Providers. We rely on agreements with third-party service providers to process our voluminous customer credit and debit card transactions and for the facilitation of customer bookings of travel services from our travel suppliers. Upon the occurrence of specified events, including material adverse changes in our financial condition, these agreements may allow the payment processors to withhold a significant amount of our cash (referred to as a “holdback”), require us to otherwise post security equal to a portion of bookings that have been processed by provider, or suspend their processing services. An imposition of a holdback or suspension of payment processing services by one or more of our payment processors could materially reduce our liquidity. Further, the software and services provided by payment processors may fail to meet our expectations, contain errors or vulnerabilities, be compromised, or experience outages. Any of these risks could cause us to lose our ability to process payments, and our business and operating results could be adversely affected.

Payment Card Networks. The payment card networks, such as Visa, MasterCard and American Express, may increase the interchange fees and assessments that they charge for each transaction that accesses their networks and may impose special fees or assessments on such transactions. Our payment processors have the right to pass any increases in interchange fees and assessments on to us, which could significantly increase our costs and thereby adversely affect our financial performance.

In addition, the payment card networks, have adopted rules and regulations that apply to all merchants who process and accept payment cards and include payment card association operating rules, the Payment Card Industry Data Security Standards, or the PCI DSS. Moreover, the payment card networks could adopt new operating rules or interpret or reinterpret existing rules that we or our payment processors might find difficult or even impossible to comply with, or costly to implement. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may lose our ability to accept credit and debit card payments from our customers, or facilitate other types of online payments, and be liable for card issuing banks’ costs, subject to fines and higher transaction fees, and our business and operating results could be adversely affected.

We are subject to payments-related fraud risks.

Our results of operations and financial positions have been negatively affected by our acceptance of fraudulent bookings made using credit and debit cards or fraudulently obtained loyalty points. We are sometimes held liable for accepting fraudulent bookings on our websites or other bookings for which payment is subsequently disputed by our customers both of which lead to the reversal of payments received by us for such bookings (referred to as a “charge back”). In addition, the payment card networks have rules around acceptable charge back ratios. Accordingly, we calculate and record an allowance for the resulting credit and debit card charge backs. Our ability to detect and combat fraudulent schemes, which have become increasingly common and sophisticated, may be negatively impacted by the adoption of new payment methods, the emergence and innovation of new technology platforms (such as historically occurred with the introduction of smartphones, tablet computers and in-home assistants), and our global expansion, including into markets with a history of elevated fraudulent activity. In addition, we have not broadly adopted certain protective capabilities across our platform, such as mobile application-based
multi-factor authentication or third-party identify verification, which approach could result in significantly increased fraudulent activity on our platform in the future.

If we are unable to effectively combat fraudulent bookings on our websites or mobile applications or if we otherwise experience increased levels of charge backs, we may also be subject to significant fines and higher transaction fees or payment card networks may revoke our access to their networks meaning we would be unable to continue to accept card payments, either of which could have a material adverse effect on our results of operations and financial positions.

In addition, we may be subject to fraudulent supplier schemes. For example, when onboarding suppliers to our websites, we may fail to identify falsified or stolen supplier credentials, which may result in fraudulent bookings or unauthorized access to personal or confidential information of users of our websites and mobile applications. A fraudulent supplier scheme could also result in negative publicity, damage to our reputation, and could cause users of our websites and mobile applications to lose confidence in the quality of our services. Any of these events would have a negative effect on the value of our brands, which could have an adverse impact on our financial performance.

We work closely with various business partners and rely on third-parties for many systems and services, and therefore could be harmed by their activities.

We have numerous significant commercial arrangements with business partners and we rely on third-party service providers for a broad range of key services, including both external, customer-facing services such as customer support and booking fulfillment and internal services related to our operations, technology development and infrastructure. If these partners or service providers fail to meet our requirements or legal or regulatory requirements, it could damage our reputation, make it difficult for us to operate some aspects of our business, or expose us to liability for their actions. Likewise, if one of our third-party service providers were to cease operations, face financial distress or other business disruption, we could suffer increased costs and disruption to our own business operations until an equivalent alternative could be sourced or developed, any of which could also have an adverse impact on our business and financial performance. Additionally, due to the COVID-19 pandemic, most of our employees are working remotely, which may strain the ability of certain technology vendors to support the increased demand for services, such as remote connectivity.

Our international operations involve additional risks and our exposure to these risks will increase as our business expands globally.

We operate in a number of jurisdictions outside of the United States and intend to continue to expand our international presence. Laws and business practices that favor local competitors or prohibit or limit foreign ownership of certain businesses or our failure to adapt our practices, systems, processes and business models effectively to the traveler and supplier preferences (as well as the regulatory and tax landscapes) of each country into which we expand, could slow our growth or prevent our ability to compete effectively in certain markets. For example, to compete in certain international markets we have in the past, and may in the future, adopt locally-preferred payment methods, which has increased our costs and instances of fraud. Certain international markets in which we operate have lower margins than more mature markets, which could have a negative impact on our overall margins if the proportion of our overall revenue from these markets grow over time. Additionally, some countries have enacted or are considering enacting data localization laws that make competition by foreign companies costly or operationally difficult in those markets.

In addition to the risks outlined elsewhere in this section, our international operations are also subject to a number of other risks, including:

• Exposure to local economic or political instability and threatened or actual acts of terrorism;
• Compliance with U.S. and non-U.S. regulatory laws and requirements relating to anti-corruption, antitrust or competition, economic sanctions, data content and privacy, consumer protection, employment and labor laws, health and safety, information reporting and advertising and promotions;
• Weaker enforcement of our contractual and intellectual property rights;
• Lower levels of credit card usage and increased payment and fraud risk;
• Longer payment cycles, and difficulties in collecting accounts receivable;
• Preferences by local populations for local providers;
• Restrictions on, or adverse tax and other consequences related to the repatriation of cash, the withdrawal of non-U.S. investments, cash balances and earnings, as well as restrictions on our ability to invest in our operations in certain countries;
• Changes to trade policy or agreements that limit our ability to offer, or adversely affect demand for, our products and services;
Our ability to support technologies or marketing channels that may be prevalent in a particular international market and used by local competitors, but are not scalable for an international company offering services in many markets around the world; and

Uncertainty regarding liability for services and content, including uncertainty as a result of local laws and lack of precedent.

**Acquisitions, investments, divestitures or significant commercial arrangements could result in operating and financial difficulties.**

We have acquired, invested in, divested or entered into significant commercial arrangements with a number of businesses in the past, and our future success may depend, in part, on such transactions, any of which could be material to our financial condition and results of operations. Certain financial and operational risks related to such transactions that may have a material impact on our business are:

- Diversion of management’s attention or other resources from our existing businesses;
- Use of cash resources and incurrence of debt and contingent liabilities in funding and after consummating acquisitions may limit other potential uses of our cash, including stock repurchases, dividend payments and retirement of outstanding indebtedness;
- Amortization expenses related to acquired intangible assets and other adverse accounting consequences, including changes in fair value of contingent consideration;
- Expected and unexpected costs incurred in pursuing acquisitions, if unsuccessful could result in unexpected litigation or regulatory exposure, unfavorable accounting treatment, unexpected increases in taxes due, a loss of anticipated tax benefits or other adverse effects on our business, operating results or financial condition;
- The assumption of known and unknown debt and other liabilities and obligations of the acquired company;
- Difficulties and expenses in assimilating or separating, as the case may be, the operations, products, technology, privacy protection systems, information systems or personnel of an acquired or divested company, including in the case of a divestiture our reliance on performance by the acquiring company;
- Failure of the acquired company to achieve anticipated integration synergies, traffic, transactions, revenues, earnings or cash flows or to retain key management or employees;
- Failure to generate adequate returns on our acquisitions and investments, or returns in excess of alternative uses of capital;
- Entrance into markets in which we have no direct prior experience resulting in increased complexity in our business;
- Challenges relating to the structure of an investment, such as governance, accountability and decision-making conflicts that may arise in the context of a joint venture or other majority ownership investments;
- Costs associated with remediating fraud, information security, or other similar incidents at an acquired company;
- Impairment of goodwill or other intangible assets such as trademarks or other intellectual property arising from our acquisitions;
- Costs associated with litigation or other claims arising in connection with the acquired company;
- Increased or unexpected costs or delays to obtain governmental or regulatory approvals for acquisitions;
- Divestitures of functions, assets or operations may impede our ability to successfully operate our business, result in liability to purchasers, or consume significant resources;
- Divested assets may be worth more than the consideration we receive in respect thereof;
- Increased competition amongst potential acquirers for acquisition targets could result in a material increase in the purchase price for such targets or otherwise limit our ability to consummate acquisitions; and
- Adverse market reaction to divestitures, acquisitions or investments or failure to consummate such transactions.
Moreover, we rely heavily on the representations and warranties and related indemnities provided to us by the sellers of acquired private companies, including as they relate to creation, ownership and rights in intellectual property and compliance with laws and contractual requirements. Our failure to address these risks or other problems encountered in connection with past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and harm our business generally.

We rely on the performance of our employees and, if we are unable to retain or motivate our current employees or hire, retain and motivate qualified new personnel, our business would be harmed.

Our performance is largely dependent on the talents and efforts of our employees. Our future success depends on our continuing ability to identify, hire, develop, motivate and retain highly skilled personnel for all areas of our organization. Competition for well-qualified employees is intense in almost all categories, including for software engineers, developers, product management personnel, development personnel, and other technology professionals, and in all geographies. The competition for talent is also exacerbated by an increased willingness of certain companies to offer flexible and remote working policies, which expands the pool of candidates from which our competitors may attract talent. This could continue in the future due to other companies recruiting and hiring our employees, an actual or perceived slower pace of recovery of the travel industry as a result of the COVID-19 pandemic than other industries and other factors beyond our control. If we do not succeed in attracting and retaining well-qualified employees, our business, our ability to execute and innovate, our competitive position, and results of operations would be adversely affected. The current labor market is highly competitive and our personnel expenses to attract and retain key talent are increasing and may increase further, which may adversely affect our results of operations.

In addition, the contributions of Barry Diller, our Chairman and Senior Executive, Peter Kern, our Vice Chairman and Chief Executive Officer, as well as other members of our travel leadership team are critical to the overall management of the company. Expedia Group cannot ensure that it will be able to retain the services of Mr. Diller, Mr. Kern or any other member of our senior management or key employees, the loss of whom could seriously harm our business. We do not maintain any key person life insurance policies.

We may not achieve some or all of the expected benefits of our plans to increase our operational efficiencies and our restructuring efforts may adversely affect our business.

During 2019, we initiated a restructuring of portions of our global workforce in an effort to simplify and streamline our organization, improve our cost structure and the operation of our overall businesses. In February 2020, we announced our intention to pursue operating cost savings by further simplifying our organization, streamlining priorities and operating more efficiently. Due to the COVID-19 pandemic, we implemented certain additional operational cost saving actions in 2020 and 2021 that went beyond what had been originally planned.

The operational efficiencies and restructuring actions we have undertaken in the past several years, as well as future actions, may not achieve our targeted operational cost savings, improvements and efficiencies, which could adversely impact our results of operations and financial condition. In addition, implementing any restructuring plan presents significant potential risks that may impair our ability to achieve anticipated operating improvements and/or cost reductions. These risks include, among others, higher than anticipated costs in implementing our restructuring plans, management distraction from ongoing business activities, failure to maintain adequate controls and procedures while executing our restructuring plans, damage to our reputation and brand image. Additionally, as a result of restructuring initiatives, we may experience a loss of continuity, loss of accumulated knowledge and/or inefficiency, adverse effects on employee morale and productivity, or our ability to attract and retain highly skilled employees. Any of these consequences could adversely impact our business.

We are exposed to various counterparty risks.

We are exposed to the risk that various counterparties, including financial entities, will fail to perform. This creates risk in a number of areas, including with respect to our bank deposits and investments, foreign exchange risk management, insurance coverages, letters of credit, and for certain of our transactions, the receipt and holding of traveler payments and subsequent remittance of a portion of those payments to travel suppliers. As it relates to deposits, as of December 31, 2021, we held cash in bank depositary accounts of approximately $3.7 billion and held term deposits of approximately $353 million. Additionally, majority-owned subsidiaries held cash of approximately $301 million. As it relates to foreign exchange, as of December 31, 2021, we were party to forward contracts with a notional value of approximately $1.7 billion, the fair value of which was an asset of approximately $3 million. We employ forward contracts to hedge a portion of our exposure to foreign currency exchange rate fluctuations. At the end of the deposit term or upon the maturity of the forward contracts, the counterparties are obligated, or potentially obligated in the case of forward contracts, to return our funds or pay us net settlement values. If any of these counterparties were to liquidate, declare bankruptcy or otherwise cease operations, it may not be able to satisfy its obligations under these term deposits or forward contracts, our ability to recover losses or to access or recover our assets held may be limited by the counterparty’s liquidity or the applicable laws governing the insolvency or
bankruptcy proceeding, and the receipt and remittance of payments via such counterparties would be severely limited or cease. In addition, we face significant credit risk and potential payment delays with respect to non-financial contract counterparties including our Expedia Business Services and Vrbo partners, which may be exacerbated by economic downturns. The realization of any of these risks could have an adverse impact on our business and financial performance.

**We have foreign exchange risk.**

We face exposure to movements in currency exchange rates (particularly those related to the British pound sterling, euro, Canadian dollar, Australian dollar, Brazilian real, and Swiss Franc currencies) that revalue our cash flows, monetary assets and liabilities, and translate our foreign subsidiary financial results to U.S. dollars. In particular, we face exposure related to fluctuations in accommodation revenue due to relative currency movements from the time of booking to the time of stay as well as the impact of relative exchange rate movements on cross-border travel such as from Europe to the United States and the United States to Europe.

Depending on the size of the exposures and the relative movements of exchange rates, if we choose not to hedge or fail to hedge effectively our exposure, we could experience a material adverse effect on our financial statements and financial condition. We make a number of estimates in conducting hedging activities including in some cases cancellations and payments in foreign currencies. In addition, an effective exchange rate hedging program is dependent upon effective systems, accurate and reliable data sources, controls and change management procedures. In the event our estimates differ significantly from actual results or if we fail to adopt effective hedging processes, we could experience greater volatility as a result of our hedging activities.

**Legal and Regulatory Risks**

**Our alternative accommodations business is subject to legal and regulatory risks, which could have a material adverse effect on our operations and financial results.**

Our alternative accommodations business has been, and continues to be, subject to regulatory developments that affect the alternative accommodation industry and the ability of companies like us to list those alternative accommodations online. For example, certain domestic and foreign jurisdictions have adopted or are considering statutes or ordinances that prohibit or limit the ability of property owners and managers to rent certain properties for fewer than 30 consecutive days, or that regulate platforms’ ability to list alternative accommodations, including prohibiting the listing of unlicensed properties. Other domestic and foreign jurisdictions may introduce similar regulations. Many homeowners, condominium and neighborhood associations have adopted rules that prohibit or restrict short-term rentals. In addition, many of the laws that impose taxes or other obligations on travel and lodging companies were established before the growth of the internet and the alternative accommodation industry, which creates a risk of those laws being interpreted in ways not originally intended that could burden property owners and managers or otherwise harm our business.

These new and evolving regulatory schemes add significant compliance risks to our business, including the risk of fines for noncompliance, as well as substantial internal costs and the allocation of resources to develop new internal compliance systems and processes. These obligations include verification of registration status of properties and the ongoing provision of information to governments about short-term rental owners and operators and requirements to withhold and report taxable income to governments. We may also remove properties from our websites if alternative accommodation owners or operators do not provide information we require to comply with applicable regulations.

We are not in a position to eliminate risks, such as personal injury, robbery or other harm, at alternative accommodation properties and we do not inspect or verify safety, such as fire code compliance or the presence of carbon monoxide detectors, which could result in claims of liability based on events occurring at properties listed on our platforms.

We have also experienced instances where properties listed on our sites are copied and travelers booking these properties outside of our websites are the subject of fraudulent requests for payment. In other cases, travelers have been asked to pay for their booking of properties listed on our website directly to the alternative accommodation operator and outside of our website, resulting in loss of revenue for us and increased risk of fraud for the traveler.

These risks could have a material adverse effect on our alternative accommodations business, including impacting our reputation and brand, as well as the results of operations of our alternative accommodations business, which in turn could have a material adverse effect on Expedia Group’s operations and financial results.

**A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect our business, financial performance, results of operations or business growth.**

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing laws, rules and regulations or the promulgation of new laws, rules and regulations applicable to us and our businesses,
including those relating to travel and alternative accommodation licensing and listing requirements, the provision of travel packages, the internet and online commerce, internet advertising and price display, consumer protection, licensing and regulations relating to the offer of travel insurance and related products, anti-corruption, anti-trust and competition (including our contractual provisions regarding pricing and travel suppliers), economic and trade sanctions, tax, banking, data security, the provision of payment services and privacy. For example, there are, and will likely continue to be, an increasing number of laws and regulations pertaining to the internet and online commerce that may relate to liability for information retrieved from or transmitted over the internet, display of certain taxes and fees, online editorial and user-generated content, user privacy, behavioral targeting and online advertising, taxation, liability for third-party activities and the quality of products and services, and our contractual relationships with travel suppliers who list on our sites. Additionally, some jurisdictions have implemented or are considering implementing regulations that restrict or could restrict access to city centers and popular destinations as well as impact our ability to offer accommodations, such as by limiting the construction of new hotels or renting of alternative accommodations. Also, compliance with the European Economic Community (“EEC”) Council Directive on Package Travel, Package Holidays and Package Tours could be costly and complex, and could adversely impact our ability to offer certain packages in the EEC.

Likewise, the SEC, Department of Justice (“DOJ”) and Office of Foreign Assets Controls (“OFAC”), as well as foreign regulatory authorities, have continued to increase the enforcement of economic sanctions and trade regulations, anti-money laundering, and anti-corruption laws, across industries. As regulations continue to evolve and regulatory oversight continues to increase, we cannot guarantee that our programs and policies will be deemed compliant by all applicable regulatory authorities. For example, on May 17, 2019, we entered into a settlement agreement with OFAC regarding 2,221 potentially non-compliant Cuba-related travel transactions that occurred between 2011-2014, which we voluntarily disclosed to OFAC in 2014. In connection with the settlement agreement, we made significant enhancements to our economic sanctions compliance program and associated controls. OFAC agreed to release us, without any finding of fault, from all civil liability in connection with the potential violations. In the event our controls should fail or are found to be out of compliance for other reasons, we could be subject to monetary damages, civil and criminal money penalties, litigation and damage to our reputation and the value of our brands. We also have been subject, and we will likely be subject in the future, to inquiries or legal proceedings from time to time from regulatory bodies concerning compliance with economic sanctions, consumer protection, competition, tax and travel industry-specific laws and regulations, including but not limited to investigations and legal proceedings relating to the travel industry and, in particular, parity provisions in contracts between hotels and online travel companies, including Expedia Group, and the presentation of information to consumers, as described in Part I, Item 3, Legal Proceedings - Competition and Consumer Matters. The failure of our businesses to comply with these laws and regulations could result in fines and/or proceedings against us by governmental agencies and/or consumers which, if material, could adversely affect our business, financial condition and results of operations.

Application of existing tax laws, rules or regulations are subject to interpretation by taxing authorities.

The application of domestic and international income and non-income tax laws, rules and regulations to our historical and new products and services is subject to interpretation by the relevant taxing authorities. Taxing authorities have become more aggressive in their enforcement of such laws, rules and regulations, resulting in increased audit activity and audit assessments, as well as legislation, including new taxes on our technology platform and digital services. As such, potential tax liabilities may exceed our current tax reserves or may require us to modify our business practices and incur additional cost to comply, any of which may have a material adverse effect on our business.

A number of taxing authorities have made inquiries, filed lawsuits, and/or levied assessments asserting we are required to collect and/or remit state and local sales or use taxes, value added taxes, or other transactional taxes related to our travel facilitation services, including the legal proceedings described in Part I, Item 3, Legal Proceedings.

In the past we have been required, and in the future may be required, in certain jurisdictions to pay tax assessments prior to contesting their validity. A description of ongoing tax inquiries or audits in “pay-to-play” jurisdictions, is included in NOTE 15 — Commitments and Contingencies in the notes to the consolidated financial statements.

Judgment and estimation are required in determining our worldwide tax liabilities. In the ordinary course of our business, there are transactions and calculations, including cross-jurisdictional transfer pricing, for which the ultimate tax determination is uncertain or otherwise subject to interpretation. Taxing authorities may disagree with our cross-jurisdictional transfer pricing, including the amount or support for such charges. We believe our tax estimates are reasonable, however the final determination of tax audits may be materially different from our historical tax provisions and accruals in which case we may be subject to additional tax liabilities, potentially including interest and penalties, which could have a material adverse effect on our cash flows, financial condition and results of operations.

The enactment of legislation implementing changes in taxation of domestic or international business activities, the adoption of other corporate tax reform policies, or changes in tax legislation or policies could materially affect our financial position and results of operations.
Many of the statutory laws, rules, and regulations imposing taxes and other obligations were enacted before the growth of the digital economy. Certain jurisdictions have enacted new tax laws, rules, and regulations directed at taxing the digital economy and multi-national businesses. If existing tax laws, rules, or regulations change, by amendment or new legislation, with respect to occupancy tax, sales tax, value-added taxes, goods and services tax, digital services tax, withholding taxes, revenue-based taxes, unclaimed property, or other tax laws applicable to the digital economy or multi-national businesses, the result of these changes could increase our tax liabilities. Potential outcomes include, prospectively or retrospectively, additional responsibility to collect and remit indirect taxes, including on behalf of travel suppliers, imposition of interest and penalties, multiple levels of taxation, and an obligation to comply with information reporting laws or regulations requiring us to provide information about travel suppliers, customers, and transactions on our technology platform. The outcome of these changes may have an adverse effect on our business or financial performance. Demand for our products and services may decrease if we pass on such costs to the consumer; tax reporting and compliance obligations may result in increased costs to update or expand our technical or administrative infrastructure, or effectively limit the scope of our business activities if we decide not to conduct business in particular jurisdictions.

Taxing authorities have focused legislative efforts on tax reform, transparency, and base erosion prevention. As a result, policies regarding corporate income and other taxes in various jurisdictions are under heightened scrutiny and tax reform legislation is being proposed or enacted in several jurisdictions. In general, changes in tax laws may affect our effective tax rate, increase our tax liabilities, and impact the value of deferred tax balances.

Since releasing its interim report in 2018, the Organization for Economic Co-operation and Development (“OECD”) has proposed measures to address corporate tax challenges of the digital economy. These measures include a two-pillar approach, endorsed by member jurisdictions globally, that focuses on nexus, profit allocation, and minimum tax proposals. The OECD continues to develop the technical and implementation details of the approach for future adoption by jurisdictions. As the OECD continues its work, several territories have enacted or proposed measures to impose new digital services taxes on companies. However, certain territories have agreed to withdraw these digital service taxes once the OECD’s two-pillar approach has been implemented. These taxes are incremental to taxes historically incurred by the Company and result in taxation of the same revenue in multiple countries. The enacted and proposed measures may have an adverse effect on our business or financial performance.

Our tax liabilities in the future may also be adversely affected by changes to our operating structure, changes in the mix of revenue and earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax balances, or the discontinuance of beneficial tax arrangements in certain jurisdictions.

We continue to work with relevant governmental authorities and legislators, as appropriate, to clarify our obligations under existing, new, and emerging tax laws, rules, and regulations. However, due to the increasing pace of legislative changes and the scale of our business activities, any substantial changes in tax policies, enforcement activities, or legislative initiatives may materially and adversely affect our business, the taxes we are required to pay, our financial position, and results of operations.

We are involved in various legal proceedings and may experience unfavorable outcomes, which could adversely affect our business and financial condition.

We are involved in various legal proceedings and disputes involving taxes, personal injury, contract, alleged infringement of third-party intellectual property rights, antitrust, consumer protection, securities laws, and other claims, including, but not limited to, the legal proceedings described in Part I, Item 3, Legal Proceedings. These matters may involve claims for substantial amounts of money or for other relief that might necessitate changes to our business or operations. The defense of these actions has been, and will likely continue to be, both time consuming and expensive and the outcomes of these actions cannot be predicted with certainty. Determining reserves for pending litigation is a complex, fact-intensive process that requires significant legal judgment. It is possible that unfavorable outcomes in one or more such proceedings could result in substantial payments that could adversely affect our business, consolidated financial position, results of operations, or cash flows in a particular period.

We cannot be sure that our intellectual property and proprietary information is protected from all forms of copying or use by others, including potential competitors.

Our websites and mobile applications rely on content, brands, trademarks, domain names and technology, much of which is proprietary. We establish and protect our intellectual property by relying on a combination of trademark, domain name, copyright, trade secret and patent laws in the U.S. and other jurisdictions, license and confidentiality agreements, and internal policies and procedures. In connection with our license agreements with third parties, we seek to control access to, and the use and distribution of, our proprietary information and intellectual property. Even with these precautions, however, third parties may copy or otherwise obtain and use our intellectual property or confusingly similar trademarks or domain names without our authorization or to develop similar intellectual property independently. Effective trademark, domain name, copyright, patent
and trade secret protection may not be available in every jurisdiction in which our services are available and policing unauthorized use of our intellectual property is difficult and expensive. We cannot be sure that the steps we have taken will prevent misappropriation or infringement of intellectual property. Any misappropriation or violation of our rights could have a material adverse effect on our business. Furthermore, we may need to go to court or other tribunals to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. These proceedings might result in substantial costs and diversion of resources and management attention.

We currently license from third parties some of the technologies, content and brands incorporated into our websites. As we continue to introduce new services that incorporate new technologies, content and brands, we may be required to license additional technology, content or brands. We cannot be sure that such technology, content and brand licenses will be available on commercially reasonable terms, if at all.

**Technology, Information Protection and Privacy Risks**

We rely on information technology to operate our businesses and maintain our competitiveness, and any failure to invest in and adapt to technological developments and industry trends could harm our business.

We depend on the use of sophisticated information technologies and systems in many areas of our business including technology and systems used for website and mobile applications, reservations, customer service, supplier connectivity, marketing, communications, procurement, payments, tax collection and remittance, fraud detection and administration, which we must continuously improve and upgrade.

Our future success also depends on our ability to adapt our services and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features and reliability of our service in response to competitive service and product offerings. Cloud computing, the continued growth of alternative platforms and mobile computing devices, the emergence of niche competitors who may be able to optimize products, services or strategies that use cloud computing or for such platforms, as well as other technological changes, including new devices, services and home assistants, and developing technologies, have, and will continue to require, new and costly investments. Transitioning to these new technologies may be disruptive to resources and the services we provide, and may increase our reliance on third party service providers. For example, we are in the midst of a multi-year project to migrate products, data storage and functionality and significantly increase our utilization of public cloud computing services, such as AWS.

We have been engaged in a multi-year effort to migrate key portions of our consumer, affiliate and corporate travel sites, as well as back-office application functionality, to new technology platforms, such as cloud computing services, to enable us to improve conversion, innovate more rapidly, achieve better search engine optimization and improve our site merchandising and transaction processing capabilities, among other anticipated benefits. Implementations and system enhancements such as these have been in the past, and may continue to be in the future, more time consuming and expensive than originally anticipated, and the resources devoted to those efforts have adversely affected, and may continue to adversely affect, our ability to develop new site features.

**System interruption, security breaches and the lack of redundancy in our information systems may harm our businesses.**

The risk of a cybersecurity-related attack, intrusion, or disruption, including through spyware, viruses, phishing, denial of service and similar attacks by criminal organizations, hacktivists, foreign governments, and terrorists, is persistent. In addition, as we continue to migrate legacy systems to new or existing information technology systems, we increase the risk of system interruptions. We have experienced and may in the future experience system interruptions that make some or all of these systems unavailable or prevent us from efficiently fulfilling orders or providing services to third parties. Significant interruptions, outages or delays in our internal systems, or systems of third parties that we rely upon - including multiple co-location providers for data centers, cloud computing providers for application hosting, and network access providers - and network access, or deterioration in the performance of such systems, would impair our ability to process transactions, decrease our quality of service that we can offer to our customers, damage our reputation and brands, increase our costs and/or cause losses. We also face risks related to our ability to maintain data and hardware security with respect to remote working during the COVID-19 pandemic.

No assurance can be given that our backup systems or contingency plans will sustain critical aspects of our operations or business processes in all circumstances. Although we have put measures in place to protect certain portions of our facilities and assets, any of these events could cause system interruption, delays and loss of critical data, and could prevent us from providing services to our travelers and/or third parties for a significant period of time.

In addition, as a result of our efforts to migrate key portions of our platform functionality to AWS, we now depend on the availability of AWS’s services and any incident affecting AWS’s infrastructure and availability, which have occurred a number of times in the recent past, could adversely affect the availability of our platform and our ability to serve our customers, which
could in turn damage our reputation with current and potential customers, expose us to liability, result in substantial costs for remediation, cause us to lose customers, or otherwise harm our business, financial condition, or results of operations. We may also incur significant costs for using alternative hosting sources or taking other actions in preparation for, or in reaction to, events that compromise the AWS services we use.

We process, store and use customer, supplier and employee personal, financial and other data, which subjects us to risks stemming from possible failure to comply with governmental regulation and other legal obligations, as well as litigation and reputational risks associated with the failure to protect such data from unauthorized use, theft or destruction.

There are numerous laws regarding the storing, sharing, use, processing, disclosure and protection of customer and employee personal, financial and other data, the scope of which is changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other rules. We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection. It is possible, however, that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the practices of our businesses.

Any failure or perceived failure by us, or our service providers, to comply with, privacy-related legal obligations or any compromise of security that results in the unauthorized use, theft or destruction of such data, may result in a material loss of revenues from the potential adverse impact to our reputation and brand, our ability to retain customers or attract new customers and the potential disruption to our business and plans. In addition, such an event could result in violations of applicable U.S. and international laws, governmental enforcement actions and consumer or securities litigation.

We are subject to privacy regulations, and compliance with these regulations could impose significant compliance burdens.

The regulatory framework for privacy issues worldwide is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet have recently come under increased public scrutiny. Some U.S. states, including California, have passed comprehensive privacy legislation or are considering privacy legislation. In addition, the General Data Protection Regulation, or GDPR, that went into effect in the European Union in May 2018, requires companies to implement and remain compliant with regulations regarding the handling of personal data. At least 12 additional countries in Asia, Eastern Europe and Latin America have passed or are considering similar privacy regulations, resulting in additional compliance burdens and uncertainty as to how some of these laws will be interpreted. Although we have invested, and expect to continue to invest, significant resources to comply with the GDPR and other privacy laws and regulations, the number and variety of regulations combined with our multi-product, multi-brand, global businesses, could nevertheless result in compliance failures. Failure to meet any of the requirements of these laws and regulations could result in significant penalties or legal liability, adverse publicity and/or damage to our reputation, which could negatively affect our business, results of operations and financial condition.

Governance Risks

Mr. Diller may be deemed to beneficially own shares representing approximately 27% of the outstanding voting power of Expedia Group.

As of December 31, 2021, Mr. Diller may be deemed to have beneficially owned 100% of Expedia Group’s outstanding Class B common stock, representing approximately 27% of the total voting power of all shares of Expedia Group common stock and Class B common stock outstanding. In the future, Mr. Diller’s ownership percentage in Expedia Group could increase if he buys additional shares of Expedia Group common stock in open market purchases or otherwise, or if Expedia Group repurchases shares of its common stock.

Mr. Diller is also currently the Chairman of Expedia Group’s Board of Directors and Senior Executive of Expedia Group. Expedia Group’s amended and restated certificate of incorporation provides that the Chairman of the Board may only be removed without cause by the affirmative vote of at least 80% of the entire Board of Directors, which provision may not be amended, altered changed or repealed, or any provision inconsistent therewith adopted, without the approval of at least (1) 80% of the entire Board of Directors and (2) 80% of the voting power of Expedia Group’s outstanding voting securities, voting together as a single class.

As a result of Mr. Diller’s ownership interests and voting power, Mr. Diller is in a position to influence, and potentially control, significant corporate actions, including corporate transactions such as mergers, business combinations or dispositions of assets. Additionally, in the future, another holder of the Original Shares might have such a position of influence by virtue of ownership interests in the Original Shares. This concentrated ownership position could discourage others from initiating any potential merger, takeover or other change of control transaction that may otherwise be beneficial to Expedia Group stockholders.
Actual or potential conflicts of interest may develop between Expedia Group management and directors, on the one hand, and the management and directors of IAC, on the other.

Mr. Diller serves as our Chairman of the Board and Senior Executive, while retaining his role as Chairman of the Board and Senior Executive of IAC/InterActiveCorp, or IAC. Each of Ms. Clinton and Mr. von Furstenberg also serves as a member of the Board of Directors of both Expedia Group and IAC. These overlapping relationships could create, or appear to create, potential conflicts of interest for the directors or officers when facing decisions that may affect both IAC and Expedia Group. Mr. Diller in particular may also face conflicts of interest with regard to the allocation of his time between the companies.

Our amended and restated certificate of incorporation provides that no officer or director of Expedia Group who is also an officer or director of IAC will be liable to Expedia Group or its stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to IAC instead of Expedia Group, or does not communicate information regarding a corporate opportunity to Expedia Group because the officer or director has directed the corporate opportunity to IAC. This corporate opportunity provision may have the effect of exacerbating the risk of conflicts of interest between the companies because the provision effectively shields an overlapping director/executive officer from liability for breach of fiduciary duty in the event that such director or officer chooses to direct a corporate opportunity to IAC instead of Expedia Group.

Increased focus on our environmental, social, and governance (“ESG”) responsibilities have and will likely continue to result in additional costs and risks, and may adversely impact our reputation, employee retention, and willingness of customers and partners to do business with us.

Institutional, individual, and other investors, proxy advisory services, regulatory authorities, consumers and other stakeholders are increasingly focused on ESG practices of companies. As we look to respond to evolving standards for identifying, measuring, and reporting ESG metrics, our efforts may result in a significant increase in costs and may nevertheless not meet investor or other stakeholder expectations and evolving standards or regulatory requirements, which may negatively impact our financial results, our reputation, our ability to attract or retain employees, our attractiveness as a service provider, investment, or business partner, or expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders.

Risks Related to Ownership of our Stock

Our stock price is highly volatile.

The market price of our common stock is highly volatile and could continue to be subject to wide fluctuations in response to, among other risks, the risks described in this Item 1A, as well as:

- Quarterly variations in our operating and financial results as well as that of our peer companies;
- Operating and financial results that vary from the expectations of securities analysts and investors, including failure to deliver returns on investments or key initiatives;
- Changes in our capital or governance structure;
- Repurchases of our common stock;
- Changes in the stock price or market valuations of trivago, our majority-owned, publicly traded subsidiary, whose stock price is also highly volatile;
- Changes in device and platform technologies and search industry dynamics, such as key word pricing and traffic, or other changes that negatively affect our ability to generate traffic to our websites;
- Announcements by us or our competitors of significant contracts, acquisitions, divestitures, strategic partnerships, joint ventures or capital commitments as well as technological innovations, new services or promotional and discounting activities;
- Dilution resulting from any conversion of our convertible debt into common stock;
- Loss of a major travel supplier, such as an airline, hotel or car rental chain;
- Lack of success in our efforts to increase our market share; and
- Price and volume fluctuations in the stock markets in general.

Volatility in our stock price could also make us less attractive to certain investors, and/or invite speculative trading in our common stock or debt instruments.
Part I. Item 1B. Unresolved Staff Comments

None.

Part I. Item 2. Properties

We own our corporate headquarters located in Seattle, Washington, which is approximately 650,000 square feet of office space.

In addition, we lease approximately 2.7 million square feet of office space worldwide in various cities and locations, pursuant to leases with expiration dates through May 2038, of which 1.1 million square feet is leased for domestic operations and 1.6 million for international operations.

Part I. Item 3. Legal Proceedings

In the ordinary course of business, Expedia Group and its subsidiaries are parties to legal proceedings and claims involving property, personal injury, contract, alleged infringement of third-party intellectual property rights and other statutory and common law claims. The amounts that may be recovered in such matters may be subject to insurance coverage.

Rules of the SEC require the description of material pending legal proceedings, other than ordinary, routine litigation incident to the registrant’s business, and advise that proceedings ordinarily need not be described if they primarily involve damages claims for amounts (exclusive of interest and costs) not individually exceeding 10% of the current assets of the registrant and its subsidiaries on a consolidated basis. In the judgment of management, none of the pending litigation matters that the Company and its subsidiaries are defending, including those described below, involves or is likely to involve amounts of that magnitude. The litigation matters described below involve issues or claims that may be of particular interest to our stockholders, regardless of whether any of these matters may be material to our financial position or results of operations based upon the standard set forth in the SEC’s rules.

Litigation Relating to Occupancy and Other Taxes

A number of jurisdictions in the United States have filed lawsuits against online travel companies, including Expedia Group companies such as Hotels.com, Expedia, Hotwire, Orbitz and HomeAway, claiming that such travel companies have failed to collect and/or pay taxes (e.g., occupancy taxes, business privilege taxes, excise taxes, sales taxes, etc.), as well as related claims such as unjust enrichment, restitution, conversion and violation of consumer protection statutes, and seeking monetary (including tax, interest, and penalties), injunctive and/or declaratory relief. In addition, we may file complaints contesting tax assessments made by states, counties and municipalities seeking to obligate online travel companies, including certain Expedia Group companies, to collect and remit certain taxes, either retroactively or prospectively, or both. Moreover, certain jurisdictions may require us to pay tax assessments prior to contesting any such assessments. This requirement is commonly referred to as “pay-to-play.” Payment of these amounts is not an admission that we believe we are subject to such taxes and, even when such payments are made, we continue to defend our position vigorously.

Actions Filed by Individual States, Cities and Counties

Pine Bluff, Arkansas Litigation. In September 2009, Pine Bluff Advertising and Promotion Commission and Jefferson County filed a putative class action against a number of online travel companies, including Expedia, Hotels.com, Hotwire and Orbitz, alleging that defendants failed to collect and/or pay taxes under hotel tax occupancy ordinances. In February 2018, the trial court granted plaintiffs’ motion for summary judgment and denied defendants’ motion for summary judgment on the issue of tax liability. The matter is currently pending in the trial court on damages issues.

State of Mississippi Litigation. In December 2011, the State of Mississippi brought suit against a number of online travel companies, including Expedia, Hotels.com, Hotwire and Orbitz, for declaratory judgment, injunctive relief, violations of the state sales tax statute and local ordinances, violation of Consumer Protection Act (subsequently dismissed), conversion, unjust enrichment, constructive trust, money had and received and joint venture liability. In October 2018, the trial court granted the State of Mississippi’s motion for summary judgment on the issue of liability, after which the case proceeded to a damages phase in the trial court. In a July 12, 2021 final judgment, the trial court found the defendant online travel companies liable for state and local sales taxes and interest and also held the defendants liable for penalties. An appeal of the final judgment to the Mississippi Supreme Court remains pending.

Arizona Cities Litigation. Tax assessments were issued in 2013 by 12 Arizona cities against a group of online travel companies including Expedia, Hotels.com, Hotwire and Orbitz. The online travel companies protested and petitioned for redetermination of the assessments. On May 28, 2014, the Municipal Tax Hearing Officer granted the online travel companies’ protests and ordered the cities to abate the assessments. The cities appealed to the Arizona Tax Court, which granted the cities’ motion for summary judgment in part and denied it in part in April 2016. The matter is currently pending in the Arizona Tax Court on damages issues. The parties filed cross motions for summary judgment on damages issues in 2020. On December 17,
2021, the Tax Court granted the parties’ motions in part and denied the parties’ motions in part. On January 3, 2022, plaintiffs filed a motion to reconsider a portion of the December 17, 2021 ruling; that motion remains pending.

**State of Louisiana/City of New Orleans Litigation.** In August 2016, the State of Louisiana Department of Revenue and the city of New Orleans filed a lawsuit in Louisiana state court against a number of online travel companies, including Expedia, Hotels.com, Hotwire, Orbitz and Egencia. The complaint alleges claims for declaratory judgment, violation of state and city tax laws, unfair trade practices, breach of fiduciary duty, and imposition of a constructive trust. On January 26, 2022, the defendants filed a motion to reconsider the court’s prior denial of their motion for summary judgment and motion for judgment on the pleadings based on the recent decision by the Louisiana court of appeals in the Jefferson Parish litigation. That motion remains pending. Trial in the case is scheduled to begin April 4, 2022.

**Jefferson Parish, Louisiana Litigation.** In January 2019, Jefferson Parish, Louisiana filed a lawsuit in Louisiana state court against a number of online travel companies, including Expedia, Hotels.com, Hotwire, Orbitz and Egencia. The complaint alleges claims for declaratory judgment, violation of state and local tax laws, unfair trade practices, breach of fiduciary duty, and imposition of a constructive trust. In September 2020, the court granted the defendants’ motion for summary judgment, and dismissed all remaining claims (certain claims had previously been dismissed on a motion for judgment on the pleadings) by the plaintiff with prejudice. Plaintiff appealed the court’s decision. On December 23, 2021, the court of appeals affirmed the lower court’s judgment, thereby ending the matter.

**Clark County, Nevada Litigation.** On May 14, 2021, Clark County, Nevada filed a lawsuit in state court against a number of online travel companies, including a number of Expedia Group companies such as Expedia, Hotels.com, Orbitz, Travelscape, and Hotwire. The complaint alleges the defendants failed to comply with state and local transient occupancy tax statutes, as well as claims for conversion, breach of fiduciary duty, unjust enrichment, fraud and violation of the Nevada Deceptive Trade Practices Act. Plaintiffs purport to seek compensatory and punitive damages, declaratory relief and imposition of a constructive trust. The case was removed to federal district court. On September 13, 2021, defendants filed a motion to dismiss the common law and Nevada Deceptive Trade Practices Act claims, which remains pending.

In addition, HomeAway is a party in the following proceedings:

**Broward County, Florida Litigation.** In January 2019, Broward County, Florida filed a lawsuit in Florida state court against HomeAway seeking a declaration that HomeAway is obligated to collect and remit tourist development taxes imposed by Broward County and enforcement of a subpoena. The parties reached a settlement agreement and the case was dismissed on November 15, 2021, thereby ending the matter.

**Jasper County Development District #1, Texas Litigation.** On August 17, 2020, Jasper County Development District #1 filed a lawsuit in Texas state court against Expedia and HomeAway. The complaint alleges claims for declaratory judgment, damages and an accounting. The parties have reached a tentative settlement agreement.

**City of Charleston, South Carolina Litigation.** On April 9, 2021, nine local governmental entities in South Carolina filed a lawsuit in state circuit court against HomeAway.com, Inc. and many other vacation rental listing companies. The complaint alleges the defendants failed to register with, and remit taxes and business license fees to, the plaintiffs as allegedly required by certain local accommodations tax and business license ordinances. The complaint further alleges claims for violation of the South Carolina Unfair Trade Practices Act. Plaintiffs purport to seek declaratory and injunctive relief, a legal accounting and damages. On May 27, 2021, plaintiffs filed an amended complaint adding five additional local government entities as plaintiffs. On September 24, 2021, plaintiffs filed a motion for leave to file a second amended complaint seeking to add, among other things, two additional local government entities as plaintiffs (which would bring the total number of plaintiffs to 16). That motion remains pending.

**Notices of Audit or Tax Assessments**

At various times, the Company has also received notices of audit or tax assessments from states, counties, municipalities and other local taxing jurisdictions concerning its possible obligations with respect to state and local taxes (e.g. occupancy taxes, business privilege taxes, excise taxes, sales taxes, etc.).

**Non-Tax Litigation and Other Legal Proceedings**

**Putative Class Action Litigation**

**Israeli Putative Class Action Lawsuit (Sulis).** In or around September 2016, a putative class action lawsuit was filed in the District Court in Tel Aviv, Israel against Hotels.com. The plaintiff generally alleges that Hotels.com violated Israeli consumer protection laws in various ways by failing to calculate and display VAT charges in pricing displays shown to Israeli consumers. The plaintiff has filed a motion for class certification which Hotels.com has opposed.

**Israeli Putative Class Action Lawsuit (Ze’ev).** In or around January 2018, a putative class action lawsuit was filed in the District Court in Lod, Israel against a number of online travel companies including Expedia, Inc. and Hotels.com. The plaintiff...
generally alleges that the defendants violated Israeli consumer laws by limiting hotel price competition. The plaintiff has filed a motion for class certification which defendants have opposed.

**Other Legal Proceedings**

**Helms-Burton Litigation.** A number of complaints have been filed by parties alleging violations of Title III of the Cuban Liberty and Democratic Solidarity Act, also known as the Helms-Burton Act. Plaintiffs are currently appealing dismissals of their claims in the Third and Eleventh Circuit Courts of Appeal. Other cases remain pending in the U.S. District Court for the Southern District of Florida.

**Stockholder Litigation**

In re Expedia Group, Inc. Stockholders Litigation. On August 12, 2019, the Delaware Court of Chancery granted a stipulated motion consolidating three lawsuits that had been filed by Expedia Group shareholders in the Delaware Court of Chancery in connection with the Company’s acquisition of Liberty Expedia Holdings, Inc. ("LEXE"): (1) Teamsters Union Local No. 142 Pension Fund v. Barry Diller, et. al.; (2) Plaut v. Diller, et al.; and (3) Steamfitters local 449 Pension Plan v. Diller et al. These actions purported to assert, among other things, direct and derivative claims against current and former members of the Company’s board of directors, the Diller-von Furstenberg Family Foundation, and against the Company as a nominal defendant. Plaintiffs allege that the individual defendants violated their fiduciary duties by, among other things, wrongfully causing the Company to enter into certain agreements with the Company’s Executive Chairman, in connection with the Company’s acquisition of LEXE on July 26, 2019. On September 20, 2019, the court appointed a lead plaintiff and its counsel, and ordered the filing of a consolidated amended complaint. On December 11, 2019, a Special Litigation Committee of the Board of Directors of Expedia Group, Inc. ("SLC") filed a motion to stay the litigation pending completion of the SLC’s investigation into the allegations in the consolidated amended complaint. Plaintiffs opposed the motion to stay and filed a motion for leave to file an amended consolidated complaint. On January 9, 2020, the court granted the SLC’s motion for a stay, ordered the action stayed for six months from the filing date of the motion, and granted Plaintiffs’ motion for leave to file an amended consolidated complaint. On April 13, 2020, the court granted the SLC’s motion for an extension and extended the stay until September 11, 2020. By letter dated September 10, 2020, the SLC informed the court that it had completed its investigation and sought a further extension of time until October 13, 2020, to finalize its investigative report and to file a motion to dismiss the action. That same day, the court granted the SLC’s motion and extended the stay until October 13, 2020. On October 16, 2020, the court granted the SLC’s motion for a further extension of the stay until October 23, 2020. On October 23, 2020, the SLC filed a motion to dismiss the action along with a report of the SLC’s investigation. A public version of the SLC’s report was filed on October 30, 2020. On December 11, 2020, pursuant to a scheduling order of the court, the SLC filed its opening brief in support of the motion to dismiss. A public version of the SLC’s opening brief was filed on December 18, 2020. On July 28, 2021, the SLC filed a letter informing the court that the parties to the litigation had reached an agreement in principle to resolve the action and requesting a stay of further proceedings while that agreement was formalized. The July 28, 2021 letter was publicly filed on August 4, 2021.

On November 2, 2021, the parties to the litigation and the SLC entered into a Stipulation of Compromise and Settlement (the “Stipulation of Compromise and Settlement”) which set forth the terms and conditions for a proposed settlement and dismissal with prejudice of the litigation, subject to review and approval by the court upon notice to the stockholder class and the current stockholders of the Company. On November 3, 2021, the court entered its Scheduling Order with Respect to Notice of Settlement Hearing (the “Scheduling Order”), which scheduled a hearing on the proposed settlement for January 19, 2022 to determine, among other things, whether the proposed settlement is fair, reasonable, adequate and in the best interests of the Company, the class and the current stockholders of the Company, and to consider an application for an award of attorneys’ fees and expenses by plaintiff’s counsel.

The Scheduling Order also approved the form of Notice of Pendency and Proposed Settlement of Class and Derivative Action, Settlement Hearing and Right to Appear, which was mailed to stockholders and posted to the “Investors/Resources” section of the Company’s corporate website.

Following a hearing held on January 19, 2022, the court entered its Order and Final Judgment (the “Settlement Order”) approving the proposed settlement set forth in the Stipulation of Compromise and Settlement, dismissing the litigation with prejudice and extinguishing and releasing the claims that were or would have been asserted in the litigation against the defendants and related persons. The court also awarded plaintiff’s attorneys’ fees and expenses in the sum of $6.5 million, thereby ending the matter.

Pursuant to the Stipulation of Compromise and Settlement, Mr. Diller, the other defendants, the SLC, and the Company agreed to certain governance and related provisions, which are summarized in NOTE 18 — Related Party Transactions in the notes to the consolidated financial statements, which summary is qualified in its entirety by reference to the full text of the Settlement Order entered January 19, 2022, and the Stipulation of Compromise and Settlement, dated November 2, 2021, filed as Exhibit 99.1 and Exhibit 99.2, respectively, to this Annual Report on Form 10-K.

**Competition and Consumer Matters**
Over the last several years, the online travel industry has become the subject of investigations by various national competition authorities ("NCAs"), particularly in Europe.

**Matters Relating to Contractual Provisions with Accommodations Providers**

Expedia Group companies are or have been involved in a number of investigations by European NCAs predominately related to whether certain parity clauses in contracts between Expedia Group entities and accommodation providers (sometimes also referred to as “most favored nation” or “MFN” provisions) are anti-competitive.

With effect from August 1, 2015, Expedia Group companies waived certain rate, conditions and availability parity clauses in agreements with European hotel partners. While the Expedia Group companies maintain that their parity clauses have always been lawful and in compliance with competition law, these waivers were nevertheless implemented as a positive step towards facilitating the closure of the open investigations into such clauses on a harmonized pan-European basis. Following the implementation of the Expedia Group companies’ waivers, nearly all NCAs in Europe announced either the closure of their investigation or inquiries involving Expedia Group companies or a decision not to open an investigation or inquiry involving Expedia Group companies. However, certain related matters remain ongoing, including cases brought by the German Federal Cartel Office and the Italian competition authority, as well as a review by a working group of 10 European NCAs and the European Commission. Legislative bodies in France, Austria, Italy, and Belgium have also adopted domestic anti-parity clause legislation, which we believe in each case violates both EU and national legal principles. In addition, a motion requesting the Swiss government to take action on narrow price parity has been adopted in the Swiss parliament. The Swiss government is now in the process of drafting legislation implementing the motion.

A number of NCAs outside of Europe have also opened investigations or inquired about contractual parity provisions in contracts between hotels and online travel companies in their respective territories, including Expedia Group companies. In certain of these jurisdictions, including Australia, Brazil, Hong Kong, South Korea and New Zealand, the concerns were resolved with Expedia Group companies’ waiver of certain rate, conditions and availability parity clauses in agreements with hotel partners in the respective jurisdictions. In other cases, Expedia Group companies are in ongoing discussions with NCAs. For example, in April 2019, the Japan Fair Trade Commission ("JFTC") launched an investigation into certain practices of a number of online travel companies, including Expedia Group companies. Expedia Group is cooperating with the JFTC.

**Matters Relating to Online Marketplaces**

Regulatory authorities in Europe (including the UK Competition and Markets Authority, or “CMA”), Australia, and elsewhere have also initiated legal proceedings and/or undertaken market studies, inquiries or investigations relating to online marketplaces and how information is presented to consumers using those marketplaces, including practices such as search results rankings and algorithms, discount claims, disclosure of charges, and availability and similar messaging. In response, we agreed to offer certain voluntary undertakings with respect to the presentation of information on certain of our UK and European Union consumer-facing websites in order to address the regulatory authorities’ concerns.

On August 23, 2018, the Australian Competition and Consumer Commission, or "ACCC", instituted proceedings in the Australian Federal Court against trivago. The ACCC alleged breaches of Australian Consumer Law, or "ACL," relating to trivago’s advertisements in Australia concerning the hotel prices available on trivago’s Australian site, trivago’s strike-through pricing practice and other aspects of the way offers for accommodation were displayed on trivago's Australian website. The matter went to trial in September 2019 and, on January 20, 2020, the Australian Federal Court issued a judgment finding trivago had engaged in conduct in breach of the ACL. On October 18 and 19, 2021, the Australian Federal Court heard submissions from the parties regarding penalties and other orders. In its submissions, the ACCC proposed a penalty of at least AU$90 million and an injunction restraining trivago from engaging in misleading conduct of the type found by the Australian Federal Court to be in contravention of the ACL. trivago submitted that an appropriate penalty for the court to impose would be in the order of up to AU$15 million. The parties await a ruling. We recorded an estimated probable loss of approximately $11 million with respect to these proceedings in a previous period. An estimate for the reasonable possible loss or range of loss in excess of the amount reserved cannot be made.

We are cooperating with regulators in the investigations described above where applicable, but we are unable to predict what, if any, effect such actions will have on our business, industry practices or online commerce more generally.

**Part I. Item 4. Mine Safety Disclosures**

Not applicable.
Part II. Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is quoted on the Nasdaq Global Select Market under the ticker symbol “EXPE.” Our Class B common stock is not listed and there is no established public trading market. As of January 28, 2022, there were approximately 2,525 holders of record of our common stock and the closing price of our common stock was $174.36 on Nasdaq. As of January 28, 2022, all of our Class B common stock was held by Mr. Diller, Chairman and Senior Executive of Expedia Group and the Diller Foundation d/b/a The Diller - von Furstenberg Family Foundation.

Dividend Policy

In 2020, the Executive Committee, acting on behalf of the Board of Directors, declared the following common stock dividends:

<table>
<thead>
<tr>
<th>Year ended December 31, 2020:</th>
<th>Declaration Date</th>
<th>Dividend Per Share</th>
<th>Record Date</th>
<th>Total Amount (in millions)</th>
<th>Payment Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 13, 2020</td>
<td>$0.34</td>
<td>March 10, 2020</td>
<td>$48</td>
<td>March 26, 2020</td>
<td></td>
</tr>
</tbody>
</table>

During the second quarter of 2020, we suspended quarterly dividends on our common stock. During 2021 and 2020, we paid $67 million (or $74.96 per share of Series A Preferred Stock) and $75 million (or $62.47 per share of Series A Preferred Stock) of dividends on the Series A Preferred Stock.

At this time, we do not currently expect to declare future dividends on our common stock. Declaration and payment of future dividends, if any, is at the discretion of the Board of Directors and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, share dilution management, legal risks, tax policies, capital requirements relating to research and development, investments and acquisitions, challenges to our business model and other factors that the Board of Directors may deem relevant. In addition, our credit agreements limit our ability to pay cash dividends under certain circumstances.

Unregistered Sales of Equity Securities

During the quarter ended December 31, 2021, we did not issue or sell any shares of our common stock or other equity securities pursuant to unregistered transactions in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

We did not make any purchases of our outstanding common stock during the quarter ended December 31, 2021.

During 2019, our Board of Directors, or the Executive Committee, acting on behalf of the Board of Directors, authorized a repurchase of up to 20 million outstanding shares of our common stock and, during 2018, authorized a repurchase of up to 15 million shares of our common stock. As of December 31, 2021, there were approximately 23.3 million shares remaining under the 2018 and 2019 repurchase authorizations. There is no fixed termination date for the repurchases.
Performance Comparison Graph

The graph shows a five-year comparison of cumulative total return, calculated on a dividend reinvested basis, for Expedia Group common stock, the NASDAQ Composite Index, the RDG (Research Data Group) Internet Composite Index and the S&P 500. The graph assumes an investment of $100 in each of the above on December 31, 2016. The stock price performance shown in the graph is not necessarily indicative of future price performance.

Part II. Item 6. Reserved
Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Expedia Group's mission is to power global travel for everyone, everywhere. We believe travel is a force for good. Travel is an essential human experience that strengthens connections, broadens horizons and bridges divides. We help reduce the barriers to travel, making it easier, more enjoyable, more attainable and more accessible. We bring the world within reach for customers and partners around the globe. We leverage our supply portfolio, platform and technology capabilities across an extensive portfolio of consumer brands, and provide solutions to our business partners, to orchestrate the movement of people and the delivery of travel experiences on both a local and global basis. We make available, on a stand-alone and package basis, travel services provided by numerous lodging properties, airlines, car rental companies, activities and experiences providers, cruise lines, alternative accommodations property owners and managers, and other travel product and service companies. We also offer travel and non-travel advertisers access to a potential source of incremental traffic and transactions through our various media and advertising offerings on our websites. For additional information about our portfolio of brands, see the disclosure set forth in Part I, Item 1, Business, under the caption “Management Overview.”

This section of this Form 10-K generally discusses the years ended December 31, 2021 and 2020 items and year over year comparisons between 2021 and 2020. Discussions of the year ended December 31, 2019 items and the year over year comparisons between 2020 and 2019 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 ("2020 Form 10-K"). All percentages within this section are calculated on actual, unrounded numbers.

Trends

The COVID-19 pandemic, and measures to contain the virus, including government travel restrictions and quarantine orders, have had a significant negative impact on the travel industry. COVID-19 has negatively impacted consumer sentiment and consumer’s ability to travel, and many of our supply partners, particularly airlines and hotels, continue to operate at reduced service levels.

As the spread of the virus has been contained to varying degrees in certain countries during different times, travel restrictions have been lifted and consumers have become more comfortable traveling, particularly to domestic locations. This led to a moderation of the declines in travel bookings and in cancellation rates at certain points in 2021. However, travel bookings remain below and cancellation rates still remain elevated compared to pre-COVID levels due largely to the most recent Omicron variant.

The degree of containment of the virus, and the recovery in travel, has varied country by country. During the recovery period, there have been instances where cases of COVID-19 have started to increase again after a period of decline, which in some cases impacted the recovery of travel in certain countries. Additionally, there continues to be uncertainty over the impact of the Omicron or other new variants of the virus, including the efficacy of the vaccines against such variants, which has contributed, and may continue to contribute, to delays in economic recovery. COVID-19 has also had broader economic impacts, including an increase in unemployment levels and reduction in economic activity globally, which if COVID-19 starts to increase again, could lead to a reduction in consumer or business spending on travel activities, which may negatively impact the timing and level of a recovery in travel demand. Broader, sustained negative economic impacts could also put strain on our suppliers, business and service partners which increases the risk of credit losses and service level or other disruptions.

Our financial and operating results for 2021 were significantly impacted due to the continued decrease in travel demand related to COVID-19. The full duration and total impact of COVID-19 remains uncertain and it is difficult to predict how the recovery will unfold for the travel industry and, in particular, our business.

Additionally, further health-related events, political instability, geopolitical conflicts, acts of terrorism, significant fluctuations in currency values, sovereign debt issues, and natural disasters, are examples of other events that could have a negative impact on the travel industry in the future.

Prior to the onset of COVID-19, we began to execute a cost savings initiative aimed at simplifying the organization and increasing efficiency. Following the onset of COVID-19, we accelerated execution on several of these cost savings initiatives and took additional actions to reduce costs to help mitigate the impact to demand from COVID-19 and reduce our monthly cash usage. While some cost actions during COVID-19 are temporary and intended to minimize cash usage during this disruption, we expect to continue to benefit from the majority of the savings when business conditions return to more normalized levels. In 2021, we successfully achieved the previously outlined annualized run-rate fixed cost savings of $700 to $750 million compared to the fourth quarter of 2019 exit rate, as well as the greater than $200 million in variable costs savings, at 2019 volume levels. We also believe we have improved our marketing efficiency and continue to evaluate additional opportunities to increase efficiency and improve operational effectiveness across the Company.
As a result of these cost savings initiatives, we expect Adjusted EBITDA margins to increase compared to historical levels when revenue returns to more normalized levels.

For additional information about our business strategy for Expedia Group, see the disclosure set forth in Part I, Item 1, Business, under the caption “Marketing Opportunity and Business Strategy.”

Online Travel

Increased usage and familiarity with the internet has continued to drive rapid growth in online penetration of travel expenditures. Online penetration is higher in the U.S. and European markets with online penetration rates in the emerging markets, such as Asia Pacific and Latin American regions, historically lagging behind those regions. The emerging market penetration rates increased over the past few years, and are expected to continue growing, which presents an attractive growth opportunity for our business, while also attracting many competitors to online travel. This competition intensified in recent years, and the industry is expected to remain highly competitive for the foreseeable future. In addition to the growth of online travel agencies, we see increased interest in the online travel industry from search engine companies such as Google, evidenced by continued product enhancements, including new trip planning features for users and the integration of its various travel products into the Google Travel offering, as well as further prioritizing its own products in search results. Competitive entrants such as “metasearch” companies, including Kayak.com (owned by Booking Holdings), trivago (in which Expedia Group owns a majority interest) as well as TripAdvisor, introduced differentiated features, pricing and content compared with the legacy online travel agency companies, as well as various forms of direct or assisted booking tools. Further, airlines and lodging companies are aggressively pursuing direct online distribution of their products and services. In addition, the increasing popularity of the “sharing economy,” accelerated by online penetration, has had a direct impact on the travel and lodging industry. Businesses such as Airbnb, Vrbo (previously HomeAway, which Expedia Group acquired in December 2015) and Booking.com (owned by Booking Holdings) have emerged as the leaders, bringing incremental alternative accommodation and vacation rental inventory to the market. Many other competitors, including vacation rental metasearch players, continue to emerge in this space, which is expected to continue to grow as a percentage of the global accommodation market. Finally, traditional consumer ecommerce and group buying websites expanded their local offerings into the travel market by adding hotel offers to their websites.

The online travel industry also saw the development of alternative business models and variations in the timing of payment by travelers and to suppliers, which in some cases place pressure on historical business models. In particular, the agency hotel model saw rapid adoption in Europe. Expedia Group facilitates both merchant (Expedia Collect) and agency (Hotel Collect) hotel offerings with our hotel supply partners through both agency-only contracts as well as our hybrid ETP program, which offers travelers the choice of whether to pay Expedia Group at the time of booking or pay the hotel at the time of stay.

In 2020, we shifted to managing our marketing investments holistically across the brand portfolio in our Retail segment to optimize results for the Company, and making decisions on a market by market and customer segment basis that we think are appropriate based on the relative growth opportunity, the expected returns and the competitive environment. Over time, intense competition historically led to aggressive marketing efforts by the travel suppliers and intermediaries, and a meaningful unfavorable impact on our overall marketing efficiencies and operating margins. During 2020, we increased our focus on opportunities to differentiate brands across customer and geographic segments, increase marketing efficiency, drive a higher proportion of transactions through direct channels and ultimately improve the balance of transaction growth and profitability. For more detail, see Part I, Item 1A, Risk Factors - "We rely on the value of our brands, and the costs of maintaining and enhancing our brand awareness are increasing" and “Our international operations involve additional risks and our exposure to these risks will increase as our business expands globally.”

Lodging

Lodging includes hotel accommodations and alternative accommodations. As a percentage of our total worldwide revenue in 2021, lodging accounted for 75%. As a result of the impact on travel demand from the COVID-19 outbreak, room nights grew 35% in 2021 as compared to a decline 55% in 2020 and a growth of 11% in 2019. The timing of recovery in consumer sentiment on travel and on staying at hotels will be a factor in our level of room night growth, and as noted above, we expect that to vary by country. ADRs for rooms booked on Expedia Group websites decreased 1% in 2019, increased 3% in 2020, and increased 20% in 2021. During 2021 and 2020, the increase in ADRs for our Vrbo business remained elevated compared to years prior to the COVID-19 outbreak. Vrbo carries a higher ADR than hotels and has accounted for a higher percentage of room nights due to the faster recovery and shift to alternative accommodations during these periods.

The uncertain environment as a result of COVID-19, including travel restrictions and shifts in consumer behavior, the mix of our lodging bookings across geographies and types of accommodations, and general variability in supply and demand, make it difficult to predict ADR trends in the near-term.
As of December 31, 2021, our global lodging marketplace had approximately 3 million lodging properties available, including over 2 million online bookable alternative accommodations listings and approximately 875,000 hotels.

**Hotel.** We generate the majority of our revenue through the facilitation of hotel reservations (stand-alone and package bookings). After rolling out ETP globally over a period of several years, during which time we reduced negotiated economics in certain instances to compensate for hotel supply partners absorbing expenses such as credit card fees and customer service costs, our relationships and overall economics with hotel supply partners have been broadly stable in recent years. As we continue to expand the breadth and depth of our global hotel offering, in some cases we have reduced our economics in various geographies based on local market conditions. These impacts are due to specific initiatives intended to drive greater global size and scale through faster overall room night growth. Additionally, increased promotional activities such as growing loyalty programs contribute to declines in revenue per room night and profitability.

Since our hotel supplier agreements are generally negotiated on a percentage basis, any increase or decrease in ADRs has an impact on the revenue we earn per room night. Over the course of the last several years, occupancies and ADRs in the lodging industry generally increased on a currency-neutral basis in a gradually improving overall travel environment. However, due to COVID-19, current occupancy rates for hotels in the United States are at reduced levels. In addition, other factors could pressure ADR trends, including the continued growth in hotel supply in recent years and the increase in alternative accommodation inventory. Further, while the global lodging industry remains very fragmented, there has been consolidation in the hotel space among chains as well as ownership groups. In the meantime, certain hotel chains have been focusing on driving direct bookings on their own websites and mobile applications by advertising lower rates than those available on third-party websites as well as incentives such as loyalty points, increased or exclusive product availability and complimentary Wi-Fi.

**Alternative Accommodations.** With our acquisition of Vrbo (previously HomeAway) and all of its brands in December 2015, we expanded into the fast growing alternative accommodations market. Vrbo is a leader in this market and represents an attractive growth opportunity for Expedia Group. Vrbo has transitioned from a listings-based classified advertising model to an online transactional model that optimizes for both travelers and homeowner and property manager partners, with a goal of increasing monetization and driving growth through investments in marketing as well as in product and technology. Vrbo offers hosts subscription-based listing or pay-per-booking service models. It also generates revenue from a traveler service fee for bookings. In addition, we have actively moved to integrate Vrbo listings into our global Retail services, as well as directly add alternative accommodation listings to our offerings, to position our key global brands to offer a full range of lodging options for consumers.

**Air**

The airline industry has been dramatically impacted by COVID-19. As a result of the significantly reduced air travel demand due to government travel restrictions and the impact on consumer sentiment related to COVID-19, airlines have been operating with less capacity and passenger traffic has declined significantly. While we experienced some improvement in air bookings during 2021 versus 2020, it continues to lag lodging bookings and is still meaningfully below 2019 levels. The recovery in air travel remains difficult to predict, and may not correlate with the recovery in lodging demand. According to the Transportation Security Administration (“TSA”), air traveler 7-day average throughput declined 95% in April 2020 compared to prior year levels. The declines moderated to approximately 50% by the end of 2020, and further improved in 2021 with throughput down approximately 20% at the end of the year, compared to 2019 levels.

In addition, there is significant correlation between airline revenue and fuel prices, and fluctuations in fuel prices generally take time to be reflected in air revenue. Given current volatility, it is uncertain how fuel prices could impact airfares. We could encounter pressure on air remuneration as air carriers combine, certain supply agreements renew, and as we continue to add airlines to ensure local coverage in new markets.

Air ticket volumes increased 7% in 2019, declined 63% in 2020, and increased 43% during 2021. As a percentage of our total worldwide revenue in 2021, air accounted for 3%.

**Advertising & Media**

Our advertising and media business is principally driven by revenue generated by trivago, a leading hotel metasearch website, and Expedia Group Media Solutions, which is responsible for generating advertising revenue on our global online travel brands. In 2021, we generated $603 million of advertising and media revenue, a 49% increase from 2020, representing 7% of our total worldwide revenue. Given the decline in travel demand related to COVID-19, online travel agencies dramatically reduced marketing spend, including on trivago, and given the uncertain duration and impact of COVID-19 it is difficult to predict when spend will recover to normalized levels. In response, in 2020, trivago significantly reduced its marketing spend and took additional actions to lower operating expenses, which continued throughout 2021. We expect trivago to continue to experience pressure on revenue and profit until online travel agencies and other hotel suppliers see consumer demand that warrants increasing in their advertising spend with trivago.
Seasonality

We generally experience seasonal fluctuations in the demand for our travel services. For example, traditional leisure travel bookings are generally the highest in the first three quarters as travelers plan and book their spring, summer and winter holiday travel. The number of bookings typically decreases in the fourth quarter. Since revenue for most of our travel services, including merchant and agency hotel, is recognized as the travel takes place rather than when it is booked, revenue typically lags bookings by several weeks for our hotel business and can be several months or more for our alternative accommodations business. Historically, Vrbo has seen seasonally stronger bookings in the first quarter of the year, while the relevant stays occurring during the peak summer travel months. The seasonal revenue impact is exacerbated with respect to income by the nature of our variable cost of revenue and direct sales and marketing costs, which we typically realize in closer alignment to booking volumes, and the more stable nature of our fixed costs. Furthermore, operating profits for our primary advertising business, trivago, have typically been experienced in the second half of the year, particularly the fourth quarter, as selling and marketing costs offset revenue in the first half of the year as we typically increase marketing during the busy booking period for spring, summer and winter holiday travel. As a result on a consolidated basis, revenue and income are typically the lowest in the first quarter and highest in the third quarter. The growth of our international operations, advertising business or a change in our product mix, including the growth of Vrbo, may influence the typical trend of the seasonality in the future.

Impacts from COVID-19 disrupted our typical seasonal pattern for bookings, revenue, profit and cash flows during 2020 and 2021. Significantly higher cancellations and reduced booking volumes, particularly in the first half of 2020, resulted in material operating losses and negative cash flow. Although travel volumes remain materially lower than historic levels, booking and travel trends improved during the second half of 2020, and in 2021. This resulted in working capital benefits and positive cash flow more akin to typical historical trends. It remains difficult to forecast the seasonality for the upcoming quarters, given the uncertainty related to the duration of the impact from COVID-19 and the shape and timing of any sustained recovery.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those that we believe are important in the preparation of our consolidated financial statements because they require that we use judgment and estimates in applying those policies. We prepare our consolidated financial statements and accompanying notes in accordance with generally accepted accounting principles in the United States (“GAAP”). Preparation of the consolidated financial statements and accompanying notes requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements as well as revenue and expenses during the periods reported. We base our estimates on historical experience, where applicable, and other assumptions that we believe are reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions.

There are certain critical estimates that we believe require significant judgment in the preparation of our consolidated financial statements. We consider an accounting estimate to be critical if:

- It requires us to make an assumption because information was not available at the time or it included matters that were highly uncertain at the time we were making the estimate; and
- Changes in the estimate or different estimates that we could have selected may have had a material impact on our financial condition or results of operations.

For more information on each of these policies, see NOTE 2 — Significant Accounting Policies, in the notes to consolidated financial statements. We discuss information about the nature and rationale for our critical accounting estimates below.

Accounting for Certain Merchant Revenue

We accrue the cost of certain merchant revenue based on the amount we expect to be billed by suppliers. In certain instances when a supplier invoices us for less than the cost we accrued, we generally reduce our merchant accounts payable and the supplier costs within net revenue six months in arrears, net of an allowance, when we determine it is not probable that we will be required to pay the supplier, based on historical experience. Actual revenue could be greater or less than the amounts estimated due to changes in hotel billing practices or changes in traveler behavior.

Deferred Loyalty Rewards

We currently offer certain internally administered traveler loyalty programs to our travelers, such as our Hotels.com Rewards program, our Expedia Rewards program and our Orbitz Rewards program. Hotels.com Rewards offers travelers one free night at any Hotels.com partner property after that traveler stays 10 nights, subject to certain restrictions. Expedia Rewards enables participating travelers to earn points on all hotel, flight, package and activities made on various Brand Expedia websites. Orbitz Rewards allows travelers to earn Orbucks, the currency of Orbitz Rewards, on flights, hotels and vacation
packages and instantly redeem those Orbucks on future bookings at various hotels worldwide. In 2021, we announced plans to unify and expand our existing loyalty programs into one global rewards platform spanning all products and global brands. As travelers accumulate points towards free travel products, we defer the relative standalone selling price of earned points, net of expected breakage, as deferred loyalty rewards within deferred merchant bookings on the consolidated balance sheet. In order to estimate the standalone selling price of the underlying services on which points can be redeemed for all loyalty programs, we use an adjusted market assessment approach and consider the redemption values expected from the traveler. We then estimate the number of rewards that will not be redeemed based on historical activity in our members' accounts as well as statistical modeling techniques. Revenue is recognized when we have satisfied our performance obligation relating to the points, that is when the travel service purchased with the loyalty award is satisfied. Both the actual standalone selling price of the underlying services and ultimate redemption rates could differ materially from our estimates due to a number of factors, including fluctuations in reward value, product utilization and divergence from historical member behavior.

Recoverability of Goodwill and Indefinite and Definite-Lived Intangible Assets

Goodwill. We assess goodwill for impairment annually as of October 1, or more frequently, if events and circumstances indicate impairment may have occurred. During 2020, as a result of the significant turmoil related to COVID-19, we concluded that sufficient indicators existed to require us to perform multiple interim impairment assessments. In the evaluation of goodwill for impairment, we typically perform a quantitative assessment and compare the fair value of the reporting unit to the carrying value and, if applicable, record an impairment charge based on the excess of the reporting unit's carrying amount over its fair value. Periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the goodwill is more likely than not impaired.

We generally base our measurement of fair value of reporting units, except for trivago, which is a separately listed company on the Nasdaq Global Select Market, on a blended analysis of the present value of future discounted cash flows and market valuation approach with the exception of our standalone publicly traded subsidiary, which is based on market valuation. The discounted cash flows model indicates the fair value of the reporting units based on the present value of the cash flows that we expect the reporting units to generate in the future. Our significant estimates in the discounted cash flows model include: our weighted average cost of capital; long-term rate of growth and profitability of our business; and working capital effects. The market valuation approach indicates the fair value of the business based on a comparison of the Company to comparable publicly traded firms in similar lines of business. Our significant estimates in the market approach model include identifying similar companies with comparable business factors such as size, growth, profitability, risk and return on investment and assessing comparable revenue and operating income multiples in estimating the fair value of the reporting units. The fair value estimate for the trivago reporting unit was based on trivago's stock price, a Level 1 input, adjusted for an estimated control premium.

We believe the weighted use of discounted cash flows and market approach is the best method for determining the fair value of our reporting units because these are the most common valuation methodologies used within the travel and internet industries; and the blended use of both models compensates for the inherent risks associated with either model if used on a stand-alone basis.

In addition to measuring the fair value of our reporting units as described above, we consider the combined carrying and fair values of our reporting units in relation to the Company’s total fair value of equity plus debt as of the assessment date. Our equity value assumes our fully diluted market capitalization, using either the stock price on the valuation date or the average stock price over a range of dates around the valuation date, plus an estimated acquisition premium which is based on observable transactions of comparable companies. The debt value is based on the highest value expected to be paid to repurchase the debt, which can be fair value, principal or principal plus a premium depending on the terms of each debt instrument.

Indefinite-Lived Intangible Assets. We base our measurement of fair value of indefinite-lived intangible assets, which primarily consist of trade name and trademarks, using the relief-from-royalty method. This method assumes that the trade name and trademarks have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. This method requires us to estimate the future revenue for the related brands, the appropriate royalty rate and the weighted average cost of capital.

Definite-Lived Intangible Assets. We review the carrying value of long-lived assets or asset groups to be used in operations whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the observable market value of an asset, among others. If such facts indicate a potential impairment, we would assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets.
over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we will estimate the fair value of the asset group using appropriate valuation methodologies, which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset groups carrying amount and its estimated fair value.

The use of different estimates or assumptions in determining the fair value of our goodwill, indefinite-lived and definite-lived intangible assets may result in different values for these assets, which could result in an impairment or, in the period in which an impairment is recognized, could result in a materially different impairment charge.

For additional information on our goodwill and intangible asset impairments recorded in 2021 and 2020, see NOTE 3 — Fair Value Measurements in the notes to the consolidated financial statements.

**Income Taxes**

We record income taxes under the liability method. Deferred tax assets and liabilities reflect our estimation of the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book and tax purposes. We determine deferred income taxes based on the differences in accounting methods and timing between financial statement and income tax reporting. Accordingly, we determine the deferred tax asset or liability for each temporary difference based on the enacted tax rates expected to be in effect when we realize the underlying items of income and expense.

We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carryforward periods available to us for tax reporting purposes, as well as other relevant factors. We may establish a valuation allowance to reduce deferred tax assets to the amount we believe is more likely than not to be realized. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated operating results, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates. All deferred income taxes are classified as long-term on our consolidated balance sheets.

We account for uncertain tax positions based on a two-step process of evaluating recognition and measurement criteria. The first step assesses whether the tax position is more likely than not to be sustained upon examination by the tax authority, including resolution of any appeals or litigation, based on the technical merits of the position. If the tax position meets the more likely than not criteria, the portion of the tax benefit greater than 50% likely to be realized upon settlement with the tax authority is recognized in the financial statements. The ultimate resolution of these tax positions may be greater or less than the liabilities recorded.

**Other Long-Term Liabilities**

*Various Legal and Tax Contingencies.* We record liabilities to address potential exposures related to business and tax positions we have taken that have been or could be challenged by taxing authorities. In addition, we record liabilities associated with legal proceedings and lawsuits. These liabilities are recorded when the likelihood of payment is probable and the amounts can be reasonably estimated. The determination for required liabilities is based upon analysis of each individual tax issue, or legal proceeding, taking into consideration the likelihood of adverse judgments and the range of possible loss. In addition, our analysis may be based on discussions with outside legal counsel. The ultimate resolution of these potential tax exposures and legal proceedings may be greater or less than the liabilities recorded.

*Occupancy and Other Taxes.* Some states and localities impose taxes (e.g. transient occupancy, accommodation tax, sales tax and/or business privilege tax) on the use or occupancy of hotel accommodations or other traveler services. Generally, hotels collect taxes based on the rate paid to the hotel and remit these taxes to the various tax authorities. When a customer books a room through one of our travel services, we collect a tax recovery charge from the customer which we pay to the hotel. We calculate the tax recovery charge by applying the applicable tax rate supplied to us by the hotels to the amount that the hotel has agreed to receive for the rental of the room by the consumer. In most jurisdictions, we do not collect or remit taxes, nor do we pay taxes to the hotel operator, on the portion of the customer payment we retain. Some jurisdictions have questioned our practice in this regard. While the applicable tax provisions vary among the jurisdictions, we generally believe that we are not required to pay such taxes. A limited number of taxing jurisdictions have made similar claims against certain of our companies for tax amounts due on the rental amounts charged by owners of alternative accommodations properties or for taxes on our services. We are an intermediary between a traveler and a party renting an alternative accommodations property and we believe are similarly not liable for such taxes. We are engaged in discussions with tax authorities in various jurisdictions to resolve these issues. Some tax authorities have brought lawsuits or have levied assessments asserting that we are required to collect and remit tax. The ultimate resolution in all jurisdictions cannot be determined at this time. Certain jurisdictions may require us to pay tax assessments, including occupancy and other transactional tax assessments, prior to contesting any such assessments.
We have established a reserve for the potential settlement of issues related to hotel occupancy and other tax litigation for prior and current periods, consistent with applicable accounting principles and in light of all current facts and circumstances. A variety of factors could affect the amount of the liability (both past and future), which factors include, but are not limited to, the number of, and amount of revenue represented by, jurisdictions that ultimately assert a claim and prevail in assessing such additional tax or negotiate a settlement and changes in relevant statutes.

We note that there are more than 10,000 taxing jurisdictions in the United States, and it is not feasible to analyze the statutes, regulations and judicial and administrative rulings in every jurisdiction. Rather, we have obtained the advice of state and local tax experts with respect to tax laws of certain states and local jurisdictions that represent a large portion of our hotel revenue. Many of the statutes and regulations that impose these taxes were established before the emergence of the internet and e-commerce. Certain jurisdictions have enacted, and others may enact, legislation regarding the imposition of taxes on businesses that facilitate the booking of hotel or alternative accommodations. We continue to work with the relevant tax authorities and legislators to clarify our obligations under new and emerging laws and regulations. We will continue to monitor the issue closely and provide additional disclosure, as well as adjust the level of reserves, as developments warrant. Additionally, certain of our businesses are involved in tax related litigation, which is discussed in Part I, Item 3, Legal Proceedings.

New Accounting Pronouncements

For a discussion of new accounting pronouncements, see NOTE 2 — Significant Accounting Policies in the notes to consolidated financial statements.

Occupancy and Other Taxes

We are currently involved in eight lawsuits brought by or against states, cities and counties over issues involving the payment of hotel occupancy and other taxes. We continue to defend these lawsuits vigorously. With respect to the principal claims in these matters, we believe that the statutes and/or ordinances at issue do not apply to us or the services we provide, namely the facilitation of travel planning and reservations, and, therefore, that we do not owe the taxes that are claimed to be owed. We believe that the statutes and ordinances at issue generally impose occupancy and other taxes on entities that own, operate or control hotels (or similar businesses) or furnish or provide hotel rooms or similar accommodations.

For additional information and other recent developments on these and other legal proceedings, see Part I, Item 3, Legal Proceedings.

We have established a reserve for the potential settlement of issues related to hotel occupancy and other tax litigation, consistent with applicable accounting principles and in light of all current facts and circumstances, in the amount of $50 million as of December 31, 2021 and $58 million as of December 31, 2020.

Certain jurisdictions, including without limitation the states of New York, New Jersey, North Carolina, Minnesota, Oregon, Rhode Island, Maryland, Pennsylvania, Hawaii, Iowa, Massachusetts, Arizona, Wisconsin, Idaho, Arkansas, Indiana, Maine, Nebraska, Vermont, Mississippi, Virginia, the city of New York, and the District of Columbia, have enacted legislation seeking to tax online travel company services as part of sales or other taxes for hotel and/or other accommodations and/or car rental. In addition, in certain jurisdictions, we have entered into voluntary collection agreements pursuant to which we have agreed to voluntarily collect and remit taxes to state and/or local taxing jurisdictions. We are currently remitting taxes to a number of jurisdictions, including without limitation the states of New York, New Jersey, South Carolina, North Carolina, Minnesota, Georgia, Wyoming, West Virginia, Oregon, Rhode Island, Montana, Maryland, Kentucky, Maine, Pennsylvania, Hawaii, Iowa, Massachusetts, Arizona, Wisconsin, Idaho, Arkansas, Indiana, Nebraska, Vermont, Colorado, Mississippi, Virginia, the city of New York and the District of Columbia, as well as certain other jurisdictions.

Pay-to-Play

Certain jurisdictions may assert that we are required to pay any assessed taxes prior to being allowed to contest or litigate the applicability of the ordinances. This prepayment of contested taxes is referred to as “pay-to-play.” Payment of these amounts is not an admission that we believe we are subject to such taxes and, even when such payments are made, we continue to defend our position vigorously. If we prevail in the litigation, for which a pay-to-play payment was made, the jurisdiction collecting the payment will be required to repay such amounts and also may be required to pay interest. However, any significant pay-to-play payment or litigation loss could negatively impact our liquidity.

Other Jurisdictions. We are also in various stages of inquiry or audit with various tax authorities, some of which, including the City of Los Angeles regarding hotel occupancy taxes, may impose a pay-to-play requirement to challenge an adverse inquiry or audit result in court.
Segments

We have the following reportable segments: Retail, B2B, and trivago. Our Retail segment provides a full range of travel and advertising services to our worldwide customers through a variety of consumer brands including: Expedia.com and Hotels.com in the United States and localized Expedia and Hotels.com websites throughout the world, Vrbo, Orbitz, Travelocity, Wotif Group, ebookers, CheapTickets, Hotwire.com, CarRentals.com and Expedia Cruises. Our B2B segment is comprised of our Expedia Business Services organization including Expedia Partner Solutions, which offers private label and co-branded products to make travel services available to travelers through third-party company branded websites, and, through its sale in November 2021, Egencia, a full-service travel management company that provides travel services to businesses and their corporate customers. Our trivago segment generates advertising revenue primarily from sending referrals to online travel companies and travel service providers from its hotel metasearch websites.

Operating Metrics

Our operating results are affected by certain metrics, such as gross bookings and revenue margin, which we believe are necessary for understanding and evaluating us. Gross bookings generally represent the total retail value of transactions booked for agency and merchant transactions, recorded at the time of booking reflecting the total price due for travel by travelers, including taxes, fees and other charges, and are reduced for cancellations and refunds. Revenue margin is defined as revenue as a percentage of gross bookings.

### Gross Bookings and Revenue Margin

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross bookings</td>
<td>$ 72,425</td>
<td>$ 36,796</td>
<td>$ 107,873</td>
</tr>
<tr>
<td>Revenue margin (1)</td>
<td>11.9 %</td>
<td>14.1 %</td>
<td>11.2 %</td>
</tr>
</tbody>
</table>

(1) trivago, which is comprised of a hotel metasearch business that differs from our transaction-based websites, does not have associated gross bookings or revenue margin. However, third-party revenue from trivago is included in revenue used to calculate total revenue margin.

The increase in worldwide gross bookings in 2021 compared to 2020 reflected improvements in the travel environment.

Revenue margin in 2021 was lower than 2020 due in part to significant lodging cancellations in the prior year period, which reduced gross bookings, creating an unusual mix of bookings and revenue.

### Results of Operations

#### Revenue

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$ 8,598</td>
<td>$ 5,199</td>
<td>$ 12,067</td>
</tr>
</tbody>
</table>

Similar to the gross bookings increase, revenue increased 65% in 2021 compared to 2020. Our Retail, B2B and trivago segments revenue all increased compared to prior year with the growth reflecting improvements in travel trends during 2021.

#### Revenue by Service Type

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$ 8,598</td>
<td>$ 5,199</td>
<td>$ 12,067</td>
</tr>
</tbody>
</table>

(1) Includes third-party revenue from trivago as well as our transaction-based websites.

 Lodging revenue increased 59% in 2021 on a 35% increase in room nights stayed and an 18% increase in revenue per room night across hotel and alternative accommodations. Revenue per room night in 2021 benefited from higher ADRs driven by an increase in regional rates and a higher mix of U.S. hotels.

Air revenue increased 141% in 2021 driven by an increase in air tickets sold of 43% as air travel demand improved as well as the prior year impact of certain significant COVID-19 related accruals that did not repeat in 2021.

Advertising and media revenue increased 49% in 2021 due to increases at both trivago and Expedia Group Media Solutions. All other revenue, which includes car
rental, insurance, destination services, fee revenue related to our corporate travel business (through Egencia's sale in November 2021) and Bodybuilding.com (through its sale in May 2020), increased 103% in 2021 from growth in travel insurance products as well as car.

In addition to the above segment and product revenue discussion, our revenue by business model is as follows:

<table>
<thead>
<tr>
<th>Revenue by Business Model</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant</td>
<td>5,537</td>
<td>3,261</td>
<td>6,763</td>
<td>70%</td>
</tr>
<tr>
<td>Agency</td>
<td>2,307</td>
<td>1,267</td>
<td>3,882</td>
<td>82%</td>
</tr>
<tr>
<td>Advertising, media and other</td>
<td>754</td>
<td>671</td>
<td>1,422</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>8,598</strong></td>
<td><strong>5,199</strong></td>
<td><strong>12,067</strong></td>
<td><strong>65%</strong></td>
</tr>
</tbody>
</table>

The increase in merchant revenue in 2021 was primarily due to an increase in merchant hotel revenue driven by an increase in room nights stayed, an increase in Vrbo merchant alternative accommodations revenue and the growth in travel insurance products.

The increase in agency revenue in 2021 was primarily due to an increase in agency hotel, car and air revenue.

Advertising, media and other increased 12% in 2021 compared to 2020 primarily due to an increase in advertising revenue, partially offset by declines related to our prior year sale of Bodybuilding.com and certain miscellaneous other declines.

In the below discussion, we reclassified certain prior period information to conform to the current period presentation primarily related to the classification of licensing and maintenance costs within our operating expenses. These prior period reclassifications did not alter our discussion of year over year comparisons between 2020 and 2019, which can be referenced in our 2020 Form 10-K. For additional information, see NOTE 2 — Significant Accounting Policies in the notes to the consolidated financial statements.
Cost of Revenue

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct costs</td>
<td>$1,118</td>
<td>$1,148</td>
</tr>
<tr>
<td>Personnel and overhead</td>
<td>404</td>
<td>501</td>
</tr>
<tr>
<td><strong>Total cost of revenue</strong></td>
<td><strong>$1,522</strong></td>
<td><strong>$1,649</strong></td>
</tr>
<tr>
<td>% of revenue</td>
<td>17.7%</td>
<td>31.7%</td>
</tr>
</tbody>
</table>

Cost of revenue primarily consists of direct costs to support our customer operations, including our customer support and telesales as well as fees to air ticket fulfillment vendors; credit card processing, including merchant fees, fraud and chargebacks; and other costs, primarily including data center and cloud costs to support our websites, supplier operations, destination supply, certain transactional level taxes, costs related to Bodybuilding.com during our period of ownership as well as related personnel and overhead costs, including stock-based compensation.

Cost of revenue decreased $127 million during 2021 compared to 2020, primarily due to a decrease in bad debt expense, which was significantly elevated in 2020 due to the initial impacts of COVID-19, decreased customer service and personnel costs, and the absence of expenses related to Bodybuilding.com, which was disposed of in the second quarter of 2020. These decreases were partially offset by an increase in merchant fees resulting from recovering transaction volumes.

Selling and Marketing

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct costs</td>
<td>$3,499</td>
<td>$1,728</td>
</tr>
<tr>
<td>Indirect costs</td>
<td>722</td>
<td>799</td>
</tr>
<tr>
<td><strong>Total selling and marketing</strong></td>
<td><strong>$4,221</strong></td>
<td><strong>$2,527</strong></td>
</tr>
<tr>
<td>% of revenue</td>
<td>49.1%</td>
<td>48.6%</td>
</tr>
</tbody>
</table>

Selling and marketing expense primarily relates to direct costs, including traffic generation costs from search engines and internet portals, television, radio and print spending, private label and affiliate program commissions, public relations and other costs. The remainder of the expense relates to indirect costs, including personnel and related overhead in our various brands and global supply organization as well as stock-based compensation costs.

Selling and marketing expenses increased $1.7 billion during 2021 compared to 2020 primarily due to an increase in direct costs as marketing spend increased in response to improved demand. The change in indirect costs reflect lower personnel costs in connection with previously announced cost savings initiatives, partially offset by higher stock-based compensation expense of $48 million.

Technology and Content

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel and overhead</td>
<td>785</td>
<td>744</td>
</tr>
<tr>
<td>Other</td>
<td>289</td>
<td>324</td>
</tr>
<tr>
<td><strong>Total technology and content</strong></td>
<td><strong>$1,074</strong></td>
<td><strong>$1,068</strong></td>
</tr>
<tr>
<td>% of revenue</td>
<td>12.5%</td>
<td>20.5%</td>
</tr>
</tbody>
</table>

Technology and content expense includes product development and content expense, as well as information technology costs to support our infrastructure, back-office applications and overall monitoring and security of our networks, and is principally comprised of personnel and overhead, including stock-based compensation, as well as other costs including cloud expense and licensing and maintenance expense.

Technology and content expense increased $6 million for 2021 compared to 2020 primarily reflecting higher stock-based compensation of $48 million, partially offset by lower license and maintenance expense as well as personnel and related costs in connection with previously announced cost savings initiatives.
**General and Administrative**

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ in millions)</td>
<td></td>
</tr>
<tr>
<td>Personnel and overhead</td>
<td>$ 562</td>
<td>$ 434</td>
</tr>
<tr>
<td>Professional fees and other</td>
<td>143</td>
<td>155</td>
</tr>
<tr>
<td><strong>Total general and administrative</strong></td>
<td>$ 705</td>
<td>$ 589</td>
</tr>
<tr>
<td>% of revenue</td>
<td>8.2 %</td>
<td>11.3 %</td>
</tr>
</tbody>
</table>

General and administrative expense consists primarily of personnel-related costs, including our executive leadership, finance, legal and human resource functions and related stock-based compensation, as well as fees for external professional services.

General and administrative expense increased $116 million in 2021 compared to 2020 mainly due to an increase in stock-based compensation of $107 million.

**Depreciation and Amortization**

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ in millions)</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>$ 715</td>
<td>$ 739</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>99</td>
<td>154</td>
</tr>
<tr>
<td><strong>Total depreciation and amortization</strong></td>
<td>$ 814</td>
<td>$ 893</td>
</tr>
</tbody>
</table>

Depreciation decreased $24 million in 2021 compared to 2020. Amortization of intangible assets decreased $55 million in 2021 compared to 2020 primarily due to the completion of amortization related to certain intangible assets or sold entities as well as the impact of definite-lived intangible impairments in the prior year.

**Impairment of Goodwill, Intangible and Other Long-term Assets**

During 2021, we recognized a goodwill impairment charge of $14 million and intangible and other long-term asset impairment charges of $6 million related to our B2B segment. During 2020, as a result of the significant negative impact related to COVID-19, which has had a severe effect on the entire global travel industry, we recognized goodwill impairment charges of $799 million as well as intangible asset impairment charges of $175 million. See NOTE 3 — Fair Value Measurements in the notes to the consolidated financial statements for further information.

**Legal Reserves, Occupancy Tax and Other**

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ in millions)</td>
<td></td>
</tr>
<tr>
<td>Legal reserves, occupancy tax and other</td>
<td>$ 1</td>
<td>$(13)</td>
</tr>
</tbody>
</table>

Legal reserves, occupancy tax and other primarily consists of increases in our reserves for court decisions and the potential and final settlement of issues related to hotel occupancy and other taxes, expenses recognized related to monies paid in advance of occupancy and other tax proceedings (“pay-to-play”) as well as certain other legal reserves.

Legal reserves, occupancy tax and other for year ended December 31, 2021 included a charge for certain other legal reserves, mostly offset by net reductions to our reserve related to hotel occupancy and other taxes. During 2020, we recorded a $25 million gain in relation to a legal settlement, which was partially offset by changes in our reserves related to occupancy and other matters.

**Restructuring and Related Reorganization Charges**

In 2020, we committed to restructuring actions intended to simplify our businesses and improve operational efficiencies, which have resulted in headcount reductions and office consolidations. As a result, we recognized $55 million and $231 million in restructuring and related reorganization charges during 2021 and 2020. We continue to actively evaluate additional cost reduction efforts and should we make decisions in future periods to take further actions we may incur additional reorganization charges.
### Operating Income (Loss)

<table>
<thead>
<tr>
<th></th>
<th>2021 (in millions)</th>
<th>2020</th>
<th>2019</th>
<th>% Change 2021 vs 2020</th>
<th>% Change 2020 vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$186</td>
<td>$(2,719)</td>
<td>$903</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>% of revenue</td>
<td>2.2%</td>
<td>(52.3)%</td>
<td>7.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In 2021, we had operating income of $186 million compared to operating loss of $2.7 billion in 2020. The improvement in 2021 was primarily due to growth in revenue in excess of operating costs as well as the absence in 2021 of the significant prior year goodwill and intangible impairment charges mentioned above.

### Adjusted EBITDA by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Year ended December 31, 2021 (in millions)</th>
<th>Year ended December 31, 2020 (in millions)</th>
<th>Year ended December 31, 2019 (in millions)</th>
<th>% Change 2021 vs 2020</th>
<th>% Change 2020 vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>$1,782</td>
<td>$298</td>
<td>$2,171</td>
<td>498%</td>
<td>(86)%</td>
</tr>
<tr>
<td>B2B(1)</td>
<td>110</td>
<td>(190)</td>
<td>470</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>trivago</td>
<td>39</td>
<td>(14)</td>
<td>85</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Unallocated overhead costs (Corporate)(2)</td>
<td>(454)</td>
<td>(462)</td>
<td>(592)</td>
<td>(2)%</td>
<td>(22)%</td>
</tr>
<tr>
<td><strong>Total Adjusted EBITDA(3)</strong></td>
<td><strong>$1,477</strong></td>
<td><strong>$368</strong></td>
<td><strong>$2,134</strong></td>
<td><strong>N/A</strong></td>
<td><strong>N/A</strong></td>
</tr>
</tbody>
</table>

(1) Includes operating results of Egencia through its sale in November 2021.
(2) Includes immaterial operating results of Bodybuilding.com subsequent to our acquisition in July 2019 through its sale in May 2020.
(3) Adjusted EBITDA is a non-GAAP measure. See "Definition and Reconciliation of Adjusted EBITDA" below for more information.

Adjusted EBITDA is our primary segment operating metric. See NOTE 19 — Segment Information in the notes to the consolidated financial statements for additional information on intersegment transactions, unallocated overhead costs and for a reconciliation of Adjusted EBITDA by segment to net income (loss) attributable to Expedia Group, Inc. for the periods presented above. During the fourth quarter of 2021, we consolidated our divisional finance teams into one global finance organization, which resulted in the reclassification of expenses from Retail and B2B into our Corporate function. We have reclassified prior period segment information to conform to our current period presentation.

Our Retail, B2B and trivago segments all experienced improvements in Adjusted EBITDA in 2021 as a result of the recovering travel environment as well as impacts of the costs saving initiatives implemented in 2020.

Our Retail, B2B and trivago segment Adjusted EBITDA significantly declined during 2020, compared to 2019, resulting from impacts of the COVID-19 pandemic, which drove meaningful revenue declines, partially offset by a decline in direct sales and marketing expense as a percent of revenue. Unallocated overhead costs decreased $130 million during 2020 primarily due to lower general and administrative expenses.

### Interest Income and Expense

<table>
<thead>
<tr>
<th></th>
<th>2021 (in millions)</th>
<th>2020 (in millions)</th>
<th>2019 (in millions)</th>
<th>% Change 2021 vs 2020</th>
<th>% Change 2020 vs 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>$9</td>
<td>$18</td>
<td>$59</td>
<td>(48)%</td>
<td>(69)%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(351)</td>
<td>(360)</td>
<td>(173)</td>
<td>(2)%</td>
<td>108%</td>
</tr>
<tr>
<td>Loss on debt extinguishment</td>
<td>(280)</td>
<td>—</td>
<td>—</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Interest income decreased in 2021 compared to 2020 as a result of lower rates of return. Interest expense decreased in 2021 compared to 2020, largely as a result of prior year interest expense related to the outstanding revolving credit facility.
As a result of debt refinancing transactions during 2021, we recognized a loss on debt extinguishment of $280 million, which included the payment of early payment premiums and fees as well as the write-off of unamortized debt issuance costs. See NOTE 7 — Debt in the notes to the consolidated financial statements for further information.

Gain (Loss) on Sale of Business, net

In 2021, we had a net gain on sale of businesses of $456 million compared to a net loss on sale of businesses of $13 million in 2020. In November 2021, we completed the sale of Egencia to GBT and, as a result, we recognized a $401 million gain on the sale. Additionally, in 2021, we completed the sale of certain of our smaller businesses within our Retail segment, which resulted in net gains of $57 million. For additional information on these and other transactions, see NOTE 16 — Divestitures in the notes to the consolidated financial statements.

Other, Net

Other, net is comprised of the following:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign exchange rate gains (losses), net</td>
<td>$ (48)</td>
<td>$ 71</td>
<td>$ (34)</td>
</tr>
<tr>
<td>Gains (losses) on minority equity investments, net</td>
<td>(29)</td>
<td>(142)</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Total other, net</td>
<td>$ (58)</td>
<td>$ (77)</td>
<td>$ (14)</td>
</tr>
</tbody>
</table>

During 2020, losses on minority equity investments, net included $134 million of impairment losses related to a minority investment as well as $6 million of mark-to-market losses related to our publicly traded marketable equity investment, Despegar. See NOTE 3 — Fair Value Measurements in the notes to the consolidated financial statements for further information.

Provision for Income Taxes

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for income taxes</td>
<td>$ (53)</td>
<td>$ (423)</td>
<td>$ 203</td>
<td>(88)%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>139.9 %</td>
<td>13.4 %</td>
<td>26.2 %</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Our effective tax rate for 2021 was higher than the 21% federal statutory income tax rate due to excess tax benefits related to stock-based compensation, release of valuation allowance and research and experimentation credits, partially offset by nondeductible compensation, measured against a pre-tax loss. Our effective tax rate for 2020 was lower than the 21% federal statutory income tax rate due to valuation allowances and nondeductible impairments measured against a pre-tax loss.

We are subject to taxation in the United States and foreign jurisdictions. Our income tax filings are regularly examined by federal, state and foreign tax authorities. During the fourth quarter of 2019, the Internal Revenue Service (“IRS”) issued final adjustments related to transfer pricing with our foreign subsidiaries for our 2011 to 2013 tax years. The proposed adjustments would increase our U.S. taxable income by $696 million, which would result in federal tax of approximately $244 million, subject to interest. We do not agree with the position of the IRS. We filed a protest with the IRS for our 2011 to 2013 tax years and Appeals returned our case to Exam for further review. We are also under examination by the IRS for our 2014 to 2016 tax years. Subsequent years remain open to examination by the IRS. We do not anticipate a significant impact to our gross unrecognized tax benefits within the next 12 months related to these years.

For additional information, see NOTE 10 — Income Taxes in the notes to the consolidated financial statements.

Definition and Reconciliation of Adjusted EBITDA

We report Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles (“GAAP”). Adjusted EBITDA is among the primary metrics by which management evaluates the performance of the business and on which internal budgets are based. Management believes that investors should have access to the same set of tools that management uses to analyze our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP. Adjusted EBITDA has certain limitations in that it does not take into account the impact of certain expenses to our consolidated statements of operations. We
endeavor to compensate for the limitation of the non-GAAP measure presented by also providing the most directly comparable GAAP measure and a description of the reconciling items and adjustments to derive the non-GAAP measure. Adjusted EBITDA also excludes certain items related to transactional tax matters, which may ultimately be settled in cash, and we urge investors to review the detailed disclosure regarding these matters included above, in the Legal Proceedings section, as well as the notes to the financial statements. The non-GAAP financial measure used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

Adjusted EBITDA is defined as net income (loss) attributable to Expedia Group, Inc. adjusted for (1) net income (loss) attributable to non-controlling interests; (2) provision for income taxes; (3) total other expenses, net; (4) stock-based compensation expense, including compensation expense related to certain subsidiary equity plans; (5) acquisition-related impacts, including (i) amortization of intangible assets and goodwill and intangible asset impairment, (ii) gains (losses) recognized on changes in the value of contingent consideration arrangements, if any, and (iii) upfront consideration paid to settle employee compensation plans of the acquiree, if any; (6) certain other items, including restructuring; (7) items included in legal reserves, occupancy tax and other; (8) that portion of gains (losses) on revenue hedging activities that are included in other, net that relate to revenue recognized in the period; and (9) depreciation.

The above items are excluded from our Adjusted EBITDA measure because these items are noncash in nature, or because the amount and timing of these items is unpredictable, not driven by core operating results and renders comparisons with prior periods and competitors less meaningful. We believe Adjusted EBITDA is a useful measure for analysts and investors to evaluate our future on-going performance as this measure allows a more meaningful comparison of our performance and projected cash earnings with our historical results from prior periods and to the results of our competitors. Moreover, our management uses this measure internally to evaluate the performance of our business as a whole and our individual business segments. In addition, we believe that by excluding certain items, such as stock-based compensation and acquisition-related impacts, Adjusted EBITDA corresponds more closely to the cash operating income generated from our business and allows investors to gain an understanding of the factors and trends affecting the ongoing cash earnings capabilities of our business, from which capital investments are made and debt is serviced.

The reconciliation of net income (loss) attributable to Expedia Group, Inc. to Adjusted EBITDA is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) attributable to Expedia Group, Inc.</td>
<td>$12</td>
<td>$(2,612)</td>
<td>$565</td>
</tr>
<tr>
<td>Net income (loss) attributable to non-controlling interests</td>
<td>3</td>
<td>(116)</td>
<td>7</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>(53)</td>
<td>(423)</td>
<td>203</td>
</tr>
<tr>
<td>Total other expense, net</td>
<td>224</td>
<td>432</td>
<td>128</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>186</td>
<td>(2,719)</td>
<td>903</td>
</tr>
<tr>
<td>Gain (loss) on revenue hedges related to revenue recognized</td>
<td>(17)</td>
<td>61</td>
<td>22</td>
</tr>
<tr>
<td>Restructuring and related reorganization charges</td>
<td>55</td>
<td>231</td>
<td>24</td>
</tr>
<tr>
<td>Legal reserves, occupancy tax and other</td>
<td>1</td>
<td>(13)</td>
<td>34</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>418</td>
<td>205</td>
<td>241</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>814</td>
<td>893</td>
<td>910</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>14</td>
<td>799</td>
<td>—</td>
</tr>
<tr>
<td>Intangible and other long-term asset impairment</td>
<td>6</td>
<td>175</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$1,477</td>
<td>$(368)</td>
<td>$2,134</td>
</tr>
</tbody>
</table>

Financial Position, Liquidity and Capital Resources

Our principal sources of liquidity are typically cash flows generated from operations, cash available under our credit facilities as well as our cash and cash equivalents and short-term investment balances, which were $4.3 billion and $3.4 billion at December 31, 2021 and 2020. Our credit facilities were essentially untapped at December 31, 2021 and 2020.

As of December 31, 2021, the total cash and cash equivalents and short-term investments held outside the United States was $676 million ($375 million in wholly-owned foreign subsidiaries and $301 million in majority-owned subsidiaries). The amount of undistributed earnings in foreign subsidiaries where the foreign subsidiary has or will invest undistributed earnings indefinitely outside of the United States, and for which future distributions could be taxable, was $69 million as of
Managing our balance sheet prudently and maintaining appropriate liquidity have been high priorities during the COVID-19 pandemic. In 2020, in order to best position the Company to navigate our temporary working capital changes and depressed revenue, we took a number of actions to bolster our liquidity and preserve financial flexibility. In 2021, we continued certain of these actions, including suspension of our share repurchases and quarterly common stock dividends, but, with an improvement in market condition and trends in the current year, we were able to complete the following actions to reduce our cost of capital:

- **0% Convertible Notes Issuance.** In February 2021, we completed our private placement of $1 billion aggregate principal amount of unsecured 0% convertible senior notes due 2026 (the “Convertible Notes”). The net proceeds from the issuance of the Convertible Notes was approximately $983 million after deducting debt issuance costs. The Convertible Notes will mature on February 15, 2026, unless earlier converted, redeemed or repurchased. The Convertible Notes will not bear regular interest. The Convertible Notes have an initial conversion rate of 3.9212 shares of common stock of Expedia Group with a par value $0.0001 per share, per $1,000 principal amount of Convertible Notes, which is equal to an initial conversion price of approximately $255.02 per share of our common stock. The conversion rate is subject to adjustment from time to time upon the occurrence of certain events, including, but not limited to, the issuance of stock dividends and payment of cash dividends.

- **2.95% Senior Notes Issuance.** In March 2021, we privately placed $1 billion of senior unsecured notes that are due in March 2031 that bear interest at 2.95% (the “2.95% Notes”). The 2.95% Notes were issued at a price of 99.081% of the aggregate principal amount. Interest is payable semi-annually in arrears.

- **Extinction of High Cost Debt.** In March 2021, we used the net proceeds from the Convertible Notes and 2.95% Notes and completed the redemption of all of our outstanding 7.0% Notes as well as settled the tender offer to purchase $956 million in aggregate principal of our 6.25% Notes, which resulted in the recognition of a loss on debt extinguishment of $280 million in 2021 comprised of early payment premiums and fees associated with the tender offer as well as the write-off of unamortized debt issuance costs.

- **Repayment of Preferred Stock.** In May 2021, we completed the prepayment of 50% of the outstanding Series A Preferred Stock at a price equal to 103% of the Preference Amount, plus accrued and unpaid distributions as to the redemption dates using cash on-hand. In October 2021, we prepaid the remaining 50% of the outstanding Series A Preferred Stock under the same terms as the May prepayment using cash on-hand.

On February 1, 2022, notice was provided to the holders of the Company’s 2.5% Notes due 2022 that the Company will redeem all of the €650 million of outstanding aggregate principal amount of such notes on March 3, 2022. The redemption price for the notes will be equal to 100% of the aggregate principal amount thereof plus accrued and unpaid interest thereon through the redemption date.

Our credit ratings are periodically reviewed by rating agencies. As of December 31, 2021, Moody’s rating was Baa3 with an outlook of “stable,” S&P’s rating was BBB- with an outlook of “stable” and Fitch’s rating was BBB- with an outlook of “stable.” Changes in our operating results, cash flows, financial position, capital structure, financial policy or capital allocations to share repurchase, dividends, investments and acquisitions could impact the ratings assigned by the various rating agencies. Should our credit ratings be adjusted downward, we may incur higher costs to borrow and/or limited access to capital markets and interest rates on the 6.25% Notes issued in May 2020, the 3.6% and 4.625% Notes issued in July 2020 as well as the 2.95% Notes issued in March 2021 will increase, which could have a material impact on our financial condition and results of operations.

As of December 31, 2021, we were in compliance with the covenants and conditions in our revolving credit facilities and outstanding debt as detailed in NOTE 7 — Debt in the notes to the consolidated financial statements.

Under the merchant model, we receive cash from travelers at the time of booking and we record these amounts on our consolidated balance sheets as deferred merchant bookings. We pay our airline suppliers related to these merchant model bookings generally within a few weeks after completing the transaction. For most other merchant bookings, which is primarily our merchant lodging business, we generally pay after the travelers’ use and, in some cases, subsequent billing from the hotel suppliers. Therefore, generally we receive cash from the traveler prior to paying our supplier, and this operating cycle represents a working capital source of cash to us. Typically, the seasonal fluctuations in our merchant hotel bookings have affected the timing of our annual cash flows. Generally, during the first half of the year, hotel bookings have traditionally exceeded stays, resulting in much higher cash flow related to working capital. During the second half of the year, this pattern typically reverses and cash flows are typically negative. During 2020, impacts of COVID-19 disrupted our typical working...
capital trends. Significantly higher cancellations and reduced booking volumes, particularly in the first half of 2020, resulted in material operating losses and negative cash flow. Although travel volumes remain materially lower than historic levels, booking and travel trends normalized during the second half of 2020, and during 2021 have increased from 2020 levels, resulting in working capital benefits and positive cash flow in the current period more akin to typical historical trends. However, it remains difficult to forecast the working capital trends for the upcoming quarters, given the uncertainty related to the duration of the impact from COVID-19 and the shape and timing of any sustained recovery.

Prior to COVID-19, we embarked on an ambitious cost reduction initiative to simplify the organization and increase efficiency. In response to COVID-19, we took several additional actions to further reduce costs to help mitigate the financial impact from COVID-19 and continue to improve our long-term cost structure. In addition, certain capital expenditures were deferred in 2020, including temporarily halting construction on several real estate projects. In 2021, as economic conditions improved, we substantially completed the construction of our new headquarters and the project was within the expected total project spend of approximately $900 million. For 2022, we expect total capital expenditures for the full year to increase over 2021 spending levels.

Our cash flows are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in) operations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td>$3,748</td>
<td>$(3,834)</td>
<td>$2,767</td>
<td>$7,582</td>
<td>$(6,601)</td>
</tr>
<tr>
<td>Investing activities</td>
<td>$(931)</td>
<td>$(263)</td>
<td>$(1,553)</td>
<td>$(668)</td>
<td>1,290</td>
</tr>
<tr>
<td>Financing activities</td>
<td>$(973)</td>
<td>4,077</td>
<td>175</td>
<td>$(5,050)</td>
<td>3,902</td>
</tr>
<tr>
<td>Effect of foreign exchange rate changes on cash and cash equivalents</td>
<td>$(177)</td>
<td>61</td>
<td>3</td>
<td>$(238)</td>
<td>58</td>
</tr>
</tbody>
</table>

In 2021, net cash provided by operating activities was $3.7 billion compared to cash used in operating activities of $3.8 billion for 2020. In the prior year period, impacts from the COVID-19 pandemic resulted in a significant use of cash to fund working capital changes and operating losses compared to a current year cash benefit from working capital. The largest driver of the swing in working capital relates to a significant use of cash in the prior year for deferred merchant bookings as refunds for cancelled bookings exceeded new bookings compared to a meaningful increase in booking volumes and deferred merchant bookings in the current year period.

In 2021, $668 million more cash was used in investing activities primarily due to net purchase of investments of $178 million in 2021 compared to net sales and maturities of investments of $476 million in 2020, partially offset by lower capital expenditures, including those related to our new headquarters as our construction winds down.

Cash used in financing activities in 2021 primarily included payments of approximately $2 billion related to the extinguishment of debt and $1.2 billion for the redemption of preferred stock both discussed above as well as $165 million of cash paid for treasury stock activity related to the vesting of equity instruments and $67 million in preferred stock dividends. These uses of cash were largely offset by approximately $2 billion of net proceeds from the issuance of Convertible Notes and 2.95% Notes issued in February and March 2021, respectively, as well as $503 million of proceeds from the exercise of options and employee stock purchase plans. Cash provided by financing activities in 2020 primarily included $3.9 billion of net proceeds from the issuance of senior notes in May and July 2020, $1.1 billion of net proceeds from our private equity issuance, as well as $319 million of proceeds from the exercise of options and employee stock purchase plans. These sources of cash were partially offset by the August 2020 repayment of $750 million of 5.95% Notes, cash paid to acquire shares of $425 million, including the repurchased shares in the first quarter of 2020 and treasury stock activity related to the vesting of equity instruments, and cash dividend payments of $123 million.

Our Board of Directors, or the Executive Committee, acting on behalf of the Board of Directors, have authorized share repurchases under authorized programs. As disclosed above, these programs were temporarily halted in early 2020 but repurchases prior to that time were as follows:

<table>
<thead>
<tr>
<th>Year ended December 31, (In millions)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares repurchased</td>
<td>3.4 million</td>
<td>5.6 million</td>
</tr>
<tr>
<td>Average price per share</td>
<td>$109.88</td>
<td>$122.72</td>
</tr>
<tr>
<td>Total cost of repurchases (in millions)(1)</td>
<td>$370</td>
<td>$683</td>
</tr>
</tbody>
</table>

(1) Amount excludes transaction costs.
As of December 31, 2021, there were approximately 23.3 million shares remaining under prior repurchase authorizations. There is no fixed termination date for the repurchases.

During 2021, while we didn't pay common stock dividends, we did pay $67 million (or $74.96 per share of Series A Preferred Stock) of dividends on the Series A Preferred Stock. During 2020, the total dividend payment of $123 million included a common stock dividend of $0.34 per share for the first quarter of 2020 as well as $75 million (or $62.47 per share of Series A Preferred Stock) of dividends on the Series A Preferred Stock. At this time, we do not expect to make future quarterly dividend payments on our common stock. Future declarations of dividends are subject to final determination by our Board of Directors.

Foreign exchange rate changes resulted in a decrease of our cash and restricted cash balances denominated in foreign currency in 2021 of $177 million reflecting a net depreciation in foreign currencies relative to the U.S. dollar during the year. Foreign exchange rate changes resulted in increases of our cash balances denominated in foreign currency in 2020 of $61 million, reflecting a net appreciation in foreign currencies relative to the U.S. dollar during the year.

Contractual Obligations and Commercial Commitments. Our material cash requirements as of December 31, 2021 include the following contractual obligations and commercial commitments arising in the normal course of business:

• Principal payments related to our debt that is included in our consolidated balance sheet and the related periodic interest payments. The Company had Senior Notes and Convertible Notes, as described in NOTE 7 — Debt in the notes to our consolidated financial statements, with varying maturities and an aggregate principal amount of $8.5 billion, with $735 million payable within 12 months. Based on current stated fixed rates and current exchange rates, if applicable, future interest payments associated with the Senior Notes total approximately $1.6 billion, with approximately $304 million payable within 12 months;
• Our operating leases had fixed lease payment obligations, including imputed interest, of $504 million, with $91 million payable within 12 months; and
• Purchase obligations representing the minimum obligations we have under agreements with certain of our vendors and marketing partners. These minimum obligations are less than our projected use for those periods, and payments may be more than the minimum obligations based on actual use. The Company had purchase obligations of $824 million, with $589 million payable within 12 months.

In addition, we had $275 million of net unrecognized tax benefits recorded on our balance sheet as of December 31, 2021, for which we cannot make a reasonably reliable estimate of the amount and period of payment.

See NOTE 15 — Commitments and Contingencies in the notes to the consolidated financial statements for further information related to our purchase obligations as well as amounts outstanding as of December 31, 2021 related to letters of credit and guarantees. Other than the items described above, we do not have any off-balance sheet arrangements as of December 31, 2021.

In our opinion, our liquidity position provides sufficient capital resources to meet our foreseeable cash needs. There can be no assurance, however, that the cost or availability of future borrowings, including refinancings, if any, will be available on terms acceptable to us.

Certain Relationships and Related Party Transactions

For a discussion of certain relationships and related party transactions, see NOTE 17 – Liberty Expedia Holdings Transaction and NOTE 18 — Related Party Transactions in the notes to the consolidated financial statements.

Summarized Financial Information for Guarantors and the Issuer of Guaranteed Securities

Summarized financial information of Expedia Group, Inc. (the “Parent”) and our subsidiaries that are guarantors of our debt facility and instruments (the “Guarantor Subsidiaries”) is shown below on a combined basis as the “Obligor Group.” The debt facility and instruments are guaranteed by certain of our wholly-owned domestic subsidiaries and rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations. The guarantees are full, unconditional, joint and several with the exception of certain customary automatic subsidiary release provisions. In this summarized financial information of the Obligor Group, all intercompany balances and transactions between the Parent and Guarantor Subsidiaries have been eliminated and all information excludes subsidiaries that are not issuers or guarantors of our debt facility and
instruments, including earnings from and investments in these entities.

<table>
<thead>
<tr>
<th>Combined Balance Sheets Information:</th>
<th>December 31, 2021</th>
<th>(In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets (1)</td>
<td>$ 7,003</td>
<td></td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td>10,255</td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>8,701</td>
<td></td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td>8,224</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Combined Statements of Operations Information:</th>
<th>Year Ended December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 7,146</td>
</tr>
<tr>
<td>Operating income (2)</td>
<td>124</td>
</tr>
<tr>
<td>Net loss</td>
<td>(377)</td>
</tr>
<tr>
<td>Net loss attributable to Obligors</td>
<td>(658)</td>
</tr>
</tbody>
</table>

(1) Current assets include intercompany receivables with non-guarantors of $705 million as of December 31, 2021.

(2) Operating income includes intercompany expenses with non-guarantors of $472 million for the year ended December 31, 2021.

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

Market Risk Management

Market risk is the potential loss from adverse changes in interest rates, foreign exchange rates and market prices. Our exposure to market risk includes our long-term debt, our revolving credit facilities, derivative instruments and cash and cash equivalents, accounts receivable, intercompany receivables, investments, merchant accounts payable and deferred merchant bookings denominated in foreign currencies. We manage our exposure to these risks through established policies and procedures. Our objective is to mitigate potential income statement, cash flow and market exposures from changes in interest and foreign exchange rates.

Interest Rate Risk

In August 2014, we issued $500 million senior unsecured notes with a fixed rate of 4.5%. In June 2015, we issued Euro 650 million of senior unsecured notes with a fixed rate of 2.5%. (See “Foreign Exchange Risk” below for further discussion or our 2.5% Notes.) In December 2015, we issued $750 million of senior unsecured notes with a fixed rate of 5.0%. In September 2017, we issued $1 billion of senior unsecured notes with a fixed rate of 3.8%. In September 2019, we issued $1.25 billion of senior unsecured notes with a fixed rate of 3.25%. In May 2020, we issued $2 billion of senior unsecured notes due May 2025 that bear interest at 6.25%, of which $956 million in aggregate principal was subsequently repaid in 2021. In July 2020, we issued $500 million of senior unsecured notes due December 2023 that bear interest at 3.6% and $750 million of senior unsecured notes due August 2027 that bear interest at 4.625%. In March 2021, we issued $1 billion of senior unsecured notes due March 2031 that bear interest at 2.95%. In February 2021, we issued $1 billion of convertible senior unsecured notes due February 2026 with a fixed rate of 0% (the “Convertible Notes”). As a result, if market interest rates decline, our required payments will exceed those based on market rates. Additionally, the senior unsecured notes issued in May and July 2020, and March 2021 are subject to interest rate adjustments should our credit ratings be adjusted downwards, which would result in increased interest expense in the future. The total estimated fair value of our Senior Notes and Convertible Notes was approximately $9.2 billion and $9.1 billion as of December 31, 2021 and December 31, 2020. The fair value was determined based on quoted market prices in less active markets and is categorized accordingly as Level 2 in the fair value hierarchy. A 50 basis point increase or decrease in interest rates would decrease or increase the fair value of our Notes by approximately $200 million.

We maintain revolving credit facilities of $2 billion, which bear interest based on market rates plus a spread determined by our credit ratings. Because our interest rate is tied to a market rate, we will be susceptible to fluctuations in interest rates if, consistent with our practice to date, we do not hedge the interest rate exposure arising from any borrowings under our revolving credit facilities. We had no revolving credit facilities borrowings outstanding as of December 31, 2021 and December 31, 2020.
Foreign Exchange Risk

We conduct business in certain international markets, primarily in Australia, Canada, China, the United Kingdom, and the European Union. Because we operate in international markets, we have exposure to different economic climates, political arenas, tax systems and regulations that could affect foreign exchange rates. Our primary exposure to foreign currency risk relates to transacting in foreign currency and recording the activity in U.S. dollars. Changes in exchange rates between the U.S. dollar and these other currencies will result in transaction gains or losses, which we recognize in our consolidated statements of operations.

To the extent practicable, we minimize our foreign currency exposures by maintaining natural hedges between our current assets and current liabilities in similarly denominated foreign currencies. Additionally, we use foreign currency forward contracts to economically hedge certain merchant revenue exposures, foreign denominated liabilities related to certain of our loyalty programs and our other foreign currency-denominated operating liabilities. These instruments are typically short-term and are recorded at fair value with gains and losses recorded in other, net. As of December 31, 2021 and 2020, we had a net forward asset of $3 million included in prepaid expenses and other current assets and a net forward liability of $14 million included in accrued expenses and other current liabilities, respectively. We may enter into additional foreign exchange derivative contracts or other economic hedges in the future. Our goal in managing our foreign exchange risk is to reduce to the extent practicable our potential exposure to the changes that exchange rates might have on our earnings, cash flows and financial position. We make a number of estimates in conducting hedging activities including in some cases the level of future bookings, cancellations, refunds, customer stay patterns and payments in foreign currencies. In the event those estimates differ significantly from actual results, we could experience greater volatility as a result of our hedges.

In June 2015, we issued Euro 650 million of registered senior unsecured notes that are due in June 2022 and bear interest at 2.5%. The aggregate principal value of the 2.5% Notes is designated as a hedge of our net investment in certain Euro functional currency subsidiaries. The notes are measured at Euro to U.S. Dollar exchange rates at each balance sheet date and transaction gains or losses due to changes in rates are recorded in accumulated other comprehensive income (loss). The Euro-denominated net assets of these subsidiaries are translated into U.S. Dollars at each balance sheet date, with effects of foreign currency changes also reported in accumulated other comprehensive income (loss). Since the notional amount of the recorded Euro-denominated debt is less than the notional amount of our net investment, we do not expect to incur any ineffectiveness on this hedge.

Future net transaction gains and losses are inherently difficult to predict as they are reliant on how the multiple currencies in which we transact fluctuate in relation to the U.S. dollar, the relative composition and denomination of current assets and liabilities each period, and our effectiveness at forecasting and managing, through balance sheet netting or the use of derivative contracts, such exposures. As an example, if the foreign currencies in which we hold net asset balances were to all weaken 10% against the U.S. dollar and foreign currencies in which we hold net liability balances were to all strengthen 10% against the U.S. dollar, we would recognize foreign exchange losses of approximately $13 million based on our foreign currency forward positions (including the impact of forward positions economically hedging our merchant revenue exposures) and the net asset or liability balances of our foreign denominated cash and cash equivalents, accounts receivable, deferred merchant bookings and merchant accounts payable balances as of December 31, 2021. As the net composition of these balances fluctuate frequently, even daily, as do foreign exchange rates, the example loss could be compounded or reduced significantly within a given period.

During 2021, 2020 and 2019, we recorded net foreign exchange rate losses of approximately $48 million ($37 million loss excluding the contracts economically hedging our forecasted merchant revenue), net foreign exchange rate gains of approximately $71 million ($2 million gain excluding the contracts economically hedging our forecasted merchant revenue) and net foreign exchange rate losses of approximately $34 million ($34 million loss excluding the contracts economically hedging our forecasted merchant revenue). As we increase our operations in international markets, our exposure to fluctuations in foreign currency exchange rates increases. The economic impact to us of foreign currency exchange rate movements is linked to variability in real growth, inflation, interest rates, governmental actions and other factors. These changes, if material, could cause us to adjust our financing and operating strategies.

Part II. Item 8. Consolidated Financial Statements and Supplementary Data

The Consolidated Financial Statements and Schedule listed in the Index to Financial Statements, Schedules and Exhibits on page F-1 are filed as part of this report.

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

None.
Part II. Item 9A. Controls and Procedures

Changes in Internal Control over Financial Reporting.

There were no changes to our internal control over financial reporting that occurred during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management, including our Chairman and Senior Executive, Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based upon that evaluation, our Chairman and Senior Executive, Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.


Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) of the Exchange Act. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria for effective control over financial reporting described in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management has concluded that, as of December 31, 2021, the Company’s internal control over financial reporting was effective. Management has reviewed its assessment with the Audit Committee. Ernst & Young, LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2021, as stated in their report which is included below.

Limitations on Controls.

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.
Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Expedia Group, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Expedia Group, Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Expedia Group, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and our report dated February 10, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/Ernst & Young LLP

Seattle, Washington
February 10, 2022
Part II. Item 9B. Other Information

None.

Part III.

We are incorporating by reference the information required by Part III of this report on Form 10-K from our proxy statement relating to our 2022 annual meeting of stockholders (the “2022 Proxy Statement”), which will be filed with the Securities and Exchange Commission within 120 days after the end of our fiscal year ended December 31, 2021.

Part III. Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is included under the captions “Election of Directors — Nominees,” “Election of Directors — Board Meetings and Committees,” “Information Concerning Executive Officers” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the 2022 Proxy Statement and incorporated herein by reference.

Part III. Item 11. Executive Compensation

The information required by this item is included under the captions “Election of Directors — Compensation of Non-Employee Directors,” “Election of Directors — Compensation Committee Interlocks and Insider Participation,” “Compensation Discussion and Analysis,” “Compensation Committee Report” and “Executive Compensation” in the 2022 Proxy Statement and incorporated herein by reference.


The information required by this item is included under the captions “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” in the 2022 Proxy Statement and incorporated herein by reference.

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

The information required by this item is included under the captions “Certain Relationships and Related Person Transactions” and “Election of Directors — Board Meetings and Committees” in the 2022 Proxy Statement and incorporated herein by reference.

Part III. Item 14. Principal Accounting Fees and Services

The information required by this item is included under the caption “Audit Committee Report” in the 2022 Proxy Statement and incorporated herein by reference.

Part IV. Item 15. Exhibits, Consolidated Financial Statements and Financial Statement Schedules

(a)(1) Consolidated Financial Statements

We have filed the consolidated financial statements listed in the Index to Consolidated Financial Statements, Schedules and Exhibits on page F-1 as a part of this report.

(a)(2) Financial Statement Schedules

All financial statement schedules have been omitted because they are not applicable, not material or the required information is shown in the consolidated financial statements or the notes thereto.

(a)(3) Exhibits

The exhibits listed below are filed as part of this Annual Report on Form 10-K.

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Exhibit Description</th>
<th>Filed Herewith</th>
<th>Form</th>
<th>SEC File No.</th>
<th>Exhibit</th>
<th>Filing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Underwriting Agreement, dated as of May 28, 2015, Expedia, Inc., as Issuer, the Guarantors party thereto, and BNP Paribas, Goldman Sachs &amp; Co., J.P. Morgan Securities plc, as Representatives of the several Underwriters relating to the Fourth Supplemental Indenture on Exhibit 4.6</td>
<td>8-K 000-51447  1.1</td>
<td>6/3/2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Document Description</td>
<td>Filing</td>
<td>CIK</td>
<td>Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------------------------------------</td>
<td>--------</td>
<td>-------</td>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Share Purchase Agreement, dated as of December 21, 2012, by and among Expedia, Inc., trivago GmbH, a wholly owned subsidiary of Expedia and the shareholders of trivago GmbH party thereto.</td>
<td>8-K</td>
<td>000-51447</td>
<td>12/21/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>Shareholders Agreement, dated as of December 21, 2012 by and among trivago GmbH, Expedia, Inc., a wholly owned subsidiary of Expedia and certain shareholders of trivago GmbH.</td>
<td>8-K</td>
<td>000-51447</td>
<td>12/21/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>Agreement and Plan of Merger by and among Expedia Group, Inc., LEMS II Inc., LEMS I LLC and Liberty Holdings, Inc., dated as of April 15, 2019</td>
<td>8-K</td>
<td>001-37429</td>
<td>4/16/2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>Amendment No. 1 to Agreement and Plan of Merger, by and among Expedia Group, Inc., LEMS I LLC, LEMS II Inc. and Liberty Holdings, Inc., dated as of June 5, 2019</td>
<td>8-K</td>
<td>001-37429</td>
<td>6/5/2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Amended and Restated Certificate of Incorporation of Expedia Group, Inc., dated as of December 3, 2019</td>
<td>8-K</td>
<td>001-37429</td>
<td>12/4/2019</td>
<td></td>
<td></td>
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<tr>
<td>3.2</td>
<td>Amended and Restated By-Laws of Expedia Group, Inc. dated as of April 15, 2019</td>
<td>8-K</td>
<td>001-37429</td>
<td>4/16/2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1</td>
<td>Description of Securities</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Indenture, dated as of August 18, 2014, among Expedia, Inc., the Subsidiary Guarantors from time to time parties thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee</td>
<td>8-K</td>
<td>000-51447</td>
<td>8/18/2014</td>
<td></td>
<td></td>
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<tr>
<td>4.3</td>
<td>First Supplemental Indenture, dated as of August 18, 2014, among Expedia, Inc., the Subsidiary Guarantors party thereto and The Bank of New York Trust Company, N.A., as Trustee, governing the 4.500% Senior Notes due 2024</td>
<td>8-K</td>
<td>000-51447</td>
<td>8/18/2014</td>
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<td>4.4</td>
<td>Fourth Supplemental Indenture, dated as of June 3, 2015, among Expedia, Inc., as Issuer, the Subsidiary Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the 2.500% Senior Notes due 2022</td>
<td>8-K</td>
<td>000-51447</td>
<td>6/3/2015</td>
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<td>4.5</td>
<td>Indenture, dated as of December 8, 2015, among Expedia, Inc., as Issuer, the Subsidiary Guarantors from time to time parties thereto and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the 5.000% Senior Notes due 2026</td>
<td>8-K</td>
<td>001-37429</td>
<td>12/8/2015</td>
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<td>4.6</td>
<td>Indenture, dated as of September 21, 2017, among Expedia, Inc., the Subsidiary Guarantors from time to time parties thereto and U.S. Bank National Association, as Trustee, governing the 3.800% Senior Notes due 2028</td>
<td>8-K</td>
<td>001-37429</td>
<td>9/21/2017</td>
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<td>4.7</td>
<td>Indenture, dated as of September 19, 2019, among Expedia Group, Inc., the Subsidiary Guarantors from time to time parties thereto and U.S. Bank National Association, as Trustee, governing the 3.250% Senior Notes due 2030</td>
<td>8-K</td>
<td>001-37429</td>
<td>9/20/2019</td>
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<td>4.8</td>
<td>Indenture, dated as of May 5, 2020, among Expedia Group, Inc., the Subsidiary Guarantors from time to time parties thereto and U.S. Bank National Association governing the 6.250% Notes due 2025</td>
<td>8-K</td>
<td>001-37429</td>
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<td>4.9</td>
<td>Indenture, dated as of July 14, 2020, among Expedia Group, Inc., the Subsidiary Guarantors from time to time parties thereto and U.S. Bank National Association governing the 3.600% Senior Notes due 2023</td>
<td>8-K</td>
<td>001-37429</td>
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<tr>
<td>4.10</td>
<td>Indenture, dated as of July 14, 2020, among Expedia Group, Inc., the Subsidiary Guarantors from time to time parties thereto and U.S. Bank National Association governing the 4.625% Senior Notes due 2027</td>
<td>8-K</td>
<td>001-37429</td>
<td>7/15/2020</td>
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<tr>
<td>4.11</td>
<td>Indenture, dated as of February 19, 2021 among Expedia Group, Inc., the Subsidiary Guarantors from time to time parties thereto and U.S. Bank National Association governing the 0% Convertible Notes due 2026</td>
<td>8-K</td>
<td>001-37429</td>
<td>2/19/2021</td>
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<tr>
<td>10.2</td>
<td>Tax Sharing Agreement by and between Expedia, Inc. and TripAdvisor, Inc., dated as of December 20, 2011</td>
<td>8-K</td>
<td>000-51447</td>
<td>12/27/2011</td>
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<tr>
<td>10.3</td>
<td>Second Amended and Restated Governance Agreement by and between Expedia Group, Inc. and Barry Diller, dated as of April 15, 2019</td>
<td>8-K</td>
<td>001-37429</td>
<td>4/16/2019</td>
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<tr>
<td>10.4</td>
<td>Amendment No. 1 to Second Amended and Restated Governance Agreement by and between Expedia Group, Inc. and Barry Diller, dated as of April 10, 2020</td>
<td>8-K</td>
<td>001-3749</td>
<td>4/10/2020</td>
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<tr>
<td>10.5</td>
<td>Amendment No. 2 to Amended and Restated Transaction Agreement, by and among Qurate Retail, Inc., Liberty Expedia Holdings, Inc., Barry Diller, John C. Malone and Leslie Malone, dated as of April 15, 2019</td>
<td>8-K</td>
<td>001-37429</td>
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<tr>
<td>10.6</td>
<td>Assumption and Joinder Agreement to Tax Sharing Agreement by and among Expedia Group, Inc., Liberty Expedia Holdings, Inc. and Qurate Retail, Inc., dated as of April 15, 2019</td>
<td>8-K</td>
<td>001-37429</td>
<td>4/16/2019</td>
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<tr>
<td>10.7</td>
<td>Tax Sharing Agreement, by and between Liberty Interactive Corporation and Liberty Expedia Holdings, Inc., dated as of November 4, 2016</td>
<td>8-K**^</td>
<td>001-33982</td>
<td>11/7/2016</td>
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<tr>
<td>10.9</td>
<td>Assumption and Joinder Agreement to Reorganization Agreement by and among Expedia Group, Inc., Liberty Expedia Holdings, Inc. and Qurate Retail, Inc., dated as of April 15, 2019</td>
<td>8-K</td>
<td>001-37429</td>
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<tr>
<td>10.11</td>
<td>Restatement Agreement, dated as of May 4, 2020, among Expedia Group, Inc., the borrowing subsidiaries party thereto, the lender party thereto and JPMorgan Chase Bank, N.A., as administrative agent and London agent (the “Amended and Restated Credit Agreement”)</td>
<td>8-K</td>
<td>001-37429</td>
<td>5/5/2020</td>
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<td>10.12</td>
<td>First Amendment, dated as of July 6, 2020 to the Amended and Restated Credit Agreement</td>
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<td>001-37429</td>
<td>2/12/2021</td>
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<td>10.13</td>
<td>Second Amendment, dated as of August 5, 2020, to the Amended and Restated Credit Agreement</td>
<td>8-K</td>
<td>001-37429</td>
<td>8/6/2020</td>
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<td>10.14</td>
<td>Third Amendment, dated as of October 1, 2020, to the Amended and Restated Credit Agreement</td>
<td>10-K</td>
<td>001-37429</td>
<td>2/12/2021</td>
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<td>10.15</td>
<td>Fourth Amendment, dated as of December 22, 2020, to the Amended and Restated Credit Agreement</td>
<td>10-K</td>
<td>001-37429</td>
<td>2/12/2021</td>
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<td>10.16</td>
<td>Fifth Amendment, dated as of May 4, 2021, to the Amended and Restated Credit Agreement</td>
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<td>001-37429</td>
<td>8/6/2021</td>
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<td>10.17</td>
<td>Sixth Amendment, dated as of December 13, 2021, to the Amended and Restated Credit Agreement</td>
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<td>10.18</td>
<td>Credit Agreement dated as of August 5, 2020 among Expedia Group, Inc., Expedia Group International Holdings III, LLC, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A. as Administrative Agent and London Agent (the “Foreign Credit Facility”)</td>
<td>8-K</td>
<td>001-37429</td>
<td>8/6/2020</td>
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<td>10.19</td>
<td>First Amendment, dated as of October 1, 2020 to the Foreign Credit Facility</td>
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<td>001-37429</td>
<td>2/12/2021</td>
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<td>10.20</td>
<td>Second Amendment, dated as of December 22, 2020 to the Foreign Credit Agreement</td>
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<td>001-37429</td>
<td>2/12/2021</td>
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<td>10.21</td>
<td>Third Amendment, dated as of May 4, 2021 to the Foreign Credit Agreement</td>
<td>10-Q</td>
<td>001-37429</td>
<td>8/6/2021</td>
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<td>10.22</td>
<td>Fourth Amendment, dated as of December 13, 2021 to the Foreign Credit Agreement</td>
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<td>10.23*</td>
<td>Fifth Amended and Restated Expedia Group, Inc. 2005 Stock and Annual Incentive Plan</td>
<td>DEF 14A</td>
<td>001-37429</td>
<td>5/7/2020</td>
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<td>10.25*</td>
<td>Expedia Group, Inc. 2013 Employee Stock Purchase Plan, as Amended and Restated</td>
<td>10-Q</td>
<td>001-37429</td>
<td>11/5/2020</td>
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<td>10.26*</td>
<td>Expedia Group, Inc. 2013 International Employee Stock Purchase Plan, As Amended and Restated</td>
<td>10-Q</td>
<td>001-37429</td>
<td>11/5/2020</td>
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<td>10.27*</td>
<td>Form of Expedia, Inc. Restricted Stock Unit Agreement (Directors)</td>
<td>10-Q</td>
<td>000-51447</td>
<td>8/1/2014</td>
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<td>10.28*</td>
<td>Form of Expedia Group, Inc. 2020 Restricted Stock Unit Agreement (Directors)</td>
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<td>2/12/2021</td>
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<td>10.29*</td>
<td>Form of Expedia, Inc. Restricted Stock Unit Agreement</td>
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<td>10.30*</td>
<td>Form of Expedia Group, Inc. Restricted Stock Unit Agreement</td>
<td>10-Q</td>
<td>001-37429</td>
<td>4/27/2018</td>
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<td>10.31*</td>
<td>Form of Expedia, Inc. Stock Option Agreement</td>
<td>10-K</td>
<td>001-37429</td>
<td>4/27/2018</td>
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<td>10.32*</td>
<td>Form of Expedia Group, Inc. Stock Option Agreement</td>
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<td>001-37429</td>
<td>4/27/2018</td>
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<td>10.33*</td>
<td>Form of Expedia, Inc. 2018 Performance-Based Stock Option Agreement</td>
<td>10-Q</td>
<td>001-37429</td>
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<td>10.34*</td>
<td>Form of Expedia Group, Inc. Stock Option Agreement</td>
<td>10-K</td>
<td>001-37429</td>
<td>2/8/2019</td>
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<tr>
<td>10.35*</td>
<td>Form of Expedia Group, Inc. Stock Option Agreement</td>
<td>10-Q</td>
<td>001-37429</td>
<td>10.2</td>
<td>5/3/2019</td>
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<td>10.36*</td>
<td>Form of Expedia Group, Inc. Restricted Stock Unit Agreement</td>
<td>10-Q</td>
<td>001-37429</td>
<td>10.3</td>
<td>5/3/2019</td>
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<td>10.37*</td>
<td>Form of Expedia Group, Inc. 2020 Restricted Stock Unit Agreement</td>
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<td>001-37429</td>
<td>10.64</td>
<td>4/29/2020</td>
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<td>10.38*</td>
<td>Form of Expedia Group, Inc. 2020 Performance Stock Unit Agreement</td>
<td>10-K/A</td>
<td>001-37429</td>
<td>10.65</td>
<td>4/29/2020</td>
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<td>10.39*</td>
<td>Amended and Restated Expedia, Inc. Non-Employee Director Deferred Compensation Plan, effective as of January 1, 2009</td>
<td>10-K</td>
<td>000-51447</td>
<td>10.13</td>
<td>2/19/2009</td>
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<td>10.40*</td>
<td>Amended and Restated Expedia, Inc. Executive Deferred Compensation Plan, effective as of January 1, 2009</td>
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<td>10.41*</td>
<td>First Amendment of the Executive Deferred Compensation Plan, effective as of December 31, 2014</td>
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<td>10.43*</td>
<td>Stock Option Agreement between Robert Dzielak and Expedia, Inc., effective March 2, 2018 (Performance-Based Options)</td>
<td>10-Q</td>
<td>001-37429</td>
<td>10.6</td>
<td>4/27/2018</td>
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<td>10.44*</td>
<td>Stock Option Agreement between Robert Dzielak and Expedia, Inc., effective March 2, 2018 (Cliff Vest Options)</td>
<td>10-Q</td>
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<td>4/27/2018</td>
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<td>10.45*</td>
<td>Equity Treatment Agreement between Dara Khosrowshahi and Expedia, Inc., effective September 20, 2017</td>
<td>8-K/A</td>
<td>001-37429</td>
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<td>9/21/2017</td>
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<td>10.46*</td>
<td>Expedia, Inc. Stock Option Agreement for Dara Khosrowshahi, dated as of March 31, 2015 (Performance Options)</td>
<td>8-K</td>
<td>000-51447</td>
<td>10.3</td>
<td>4/1/2015</td>
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<tr>
<td>10.47*</td>
<td>Restricted Stock Unit Agreement between Peter Kern and Expedia Group, Inc., dated as of August 17, 2018</td>
<td>10-K</td>
<td>001-37429</td>
<td>10.45</td>
<td>2/8/2019</td>
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<tr>
<td>10.48*</td>
<td>Restricted Stock Unit Agreement between Peter Kern and Expedia Group, Inc., dated as of March 7, 2019</td>
<td>10-Q</td>
<td>001-37429</td>
<td>10.4</td>
<td>5/3/2019</td>
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<tr>
<td>10.49*</td>
<td>Performance Stock Unit Agreement between Peter Kern and Expedia Group, Inc., dated as of February 28, 2020</td>
<td>10-Q</td>
<td>001-37429</td>
<td>10.4</td>
<td>5/21/2020</td>
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<tr>
<td>10.51*</td>
<td>Stock Option Agreement between Peter Kern and Expedia Group, Inc., dated as of February 25, 2021</td>
<td>8-K</td>
<td>001-37429</td>
<td>10.2</td>
<td>2/26/2021</td>
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<tr>
<td>10.52*</td>
<td>Restricted Stock Unit Agreement between Peter Kern and Expedia Group, Inc., dated as of February 25, 2021</td>
<td>8-K</td>
<td>001-37429</td>
<td>10.3</td>
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<td>Subsidiaries of the Registrant</td>
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<td>22</td>
<td>List of Guarantor Subsidiaries of Expedia Group, Inc.</td>
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<td>23.1</td>
<td>Consent of Independent Registered Public Accounting Firm</td>
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<td>31.1</td>
<td>Certifications of the Chairman and Senior Executive Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</td>
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Part IV. Item 16. Form 10-K Summary

Not applicable.
Signatures

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

Expedia Group, Inc.
By: /s/ PETER M. KERN
Peter M. Kern
Chief Executive Officer and Vice Chairman

February 10, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on February 10, 2022.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ PETER M. KERN</td>
<td>Chief Executive Officer, Vice Chairman and Director</td>
</tr>
<tr>
<td>/s/ ERIC HART</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>/s/ LANCE A. SOLIDAY</td>
<td>Senior Vice President, Chief Accounting Officer and Controller</td>
</tr>
<tr>
<td>/s/ BARRY DILLER</td>
<td>Chairman of the Board, Senior Executive and Director</td>
</tr>
<tr>
<td>/s/ SAMUEL ALTMAN</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ BEVERLY ANDERSON</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ SUSAN C. ATHEY</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ CHELSEA CLINTON</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ CRAIG A. JACOBSON</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ DARA KHOSROWSHAHI</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ PATRICIA MENENDEZ CAMBO</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ ALEXANDER VON FURSTENBERG</td>
<td>Director</td>
</tr>
<tr>
<td>/s/ JULIE WHALEN</td>
<td>Director</td>
</tr>
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</table>
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS, SCHEDULES AND EXHIBITS

**Consolidated Financial Statements**

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Expedia Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Expedia Group, Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income, changes in stockholders’ equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 10, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

Loyalty Programs

Description of the Matter

As discussed in Note 2 of the financial statements, travelers enrolled in the Expedia Rewards and Hotels.com Rewards loyalty programs (collectively “loyalty programs”) earn reward points with each eligible booking made which can be redeemed for free or discounted future bookings. Member consideration is allocated between travel services and reward points earned in the loyalty programs. The Company defers the relative standalone selling price of earned reward points, net of rewards not expected to be redeemed (known as “breakage”), as deferred loyalty rewards within deferred merchant bookings on the consolidated balance sheet. To estimate the relative standalone selling price for reward points, the Company considers the stated redemption value per point dictated by the terms of the loyalty programs and then estimates the future breakage of reward points based on statistical modeling techniques using historical member activity. The deferred loyalty rewards balance, net of amounts paid to the travel supplier, is recognized as revenue when the travel service purchased with the loyalty reward is satisfied.
Auditing the Company’s deferred loyalty rewards balance is especially complex and judgmental due to significant measurement uncertainty in determining the expected future breakage of reward points. Management uses statistical modeling techniques to estimate future breakage based on historical member activity. The amount of member consideration allocated to the reward points earned is sensitive to the expected future breakage assumption. Changes in loyalty program terms or the method or manner in which reward points can be redeemed by members can change member behavior which increases the measurement uncertainty as historical member activity may not be indicative of future behavior.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over Management’s review of the statistical modeling techniques and resulting breakage estimates. We also tested controls over the completeness and accuracy of member activity data used in the breakage estimate analyses. This included controls over the Company’s systems and the application controls involved in the process to track loyalty reward member activity.

To test the deferred loyalty rewards balance, we performed audit procedures that included, among others, involving our actuarial specialists to assist us in assessing the methods used by Management and to develop an independent actuarial estimate of a reasonable range of breakage rates. We then compared this reasonable range of breakage rates to the Company’s estimates. Additionally, we tested the completeness and accuracy of the member activity data used by our actuarial specialists in their breakage analyses.

Deferred Tax Assets Valuation Allowance

Description of the Matter

As discussed in Note 2 to the consolidated financial statements, the Company records a valuation allowance based on the assessment of the realizability of the Company’s deferred tax assets. The Company establishes a valuation allowance to reduce deferred tax assets to the amount management believes is more likely than not to be realized. For the year ended December 31, 2021, the Company recorded deferred tax assets of $1,518 million and a related valuation allowance of $171 million.

Auditing management’s assessment of the realizability of its deferred tax assets is complex because management’s projection of future taxable income includes forward-looking assumptions that are inherently judgmental because they may be affected by future market or other economic conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over Management’s review of the realizability of deferred tax assets. This included controls over management’s evaluation of the sources of future taxable income.

We tested the assumptions used by the Company to develop the anticipated future earnings used in the Company’s analysis in determining the valuation allowance. We tested the completeness and accuracy of the underlying data used in the Company’s projections. For example, we evaluated the appropriateness of the assumptions underlying the future projected financial information, as well as management’s consideration of current operating, industry and economic trends. We also compared the projections of future taxable income with other forecasted financial information prepared by the Company. In addition, we evaluated the application of tax law in the projections of future taxable income.

/s/ Ernst & Young LLP
We have served as the Company’s auditor since 2004.
Seattle, Washington
February 10, 2022
### Consolidated Financial Statements

**EXPEDIA GROUP, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2021 (In millions, except for per share data)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ 8,598</td>
<td>$ 5,199</td>
<td>$12,067</td>
</tr>
<tr>
<td>Costs and expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue (exclusive of depreciation and amortization shown separately below) (1)</td>
<td>1,522</td>
<td>1,649</td>
<td>2,066</td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>4,221</td>
<td>2,527</td>
<td>6,060</td>
</tr>
<tr>
<td>Technology and content</td>
<td>1,074</td>
<td>1,068</td>
<td>1,263</td>
</tr>
<tr>
<td>General and administrative (1)</td>
<td>705</td>
<td>589</td>
<td>807</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>814</td>
<td>893</td>
<td>910</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>14</td>
<td>799</td>
<td>—</td>
</tr>
<tr>
<td>Intangible and other long-term asset impairment</td>
<td>6</td>
<td>175</td>
<td>—</td>
</tr>
<tr>
<td>Legal reserves, occupancy tax and other</td>
<td>1</td>
<td>(13)</td>
<td>34</td>
</tr>
<tr>
<td>Restructuring and related reorganization charges</td>
<td>55</td>
<td>231</td>
<td>24</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>186</td>
<td>(2,719)</td>
<td>903</td>
</tr>
<tr>
<td>Other income (expense):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>9</td>
<td>18</td>
<td>59</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(351)</td>
<td>(360)</td>
<td>(173)</td>
</tr>
<tr>
<td>Loss on debt extinguishment</td>
<td>(280)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gain (loss) on sale of business, net</td>
<td>456</td>
<td>(13)</td>
<td>—</td>
</tr>
<tr>
<td>Other, net</td>
<td>(58)</td>
<td>(77)</td>
<td>(14)</td>
</tr>
<tr>
<td>Total other expense, net</td>
<td>(224)</td>
<td>(432)</td>
<td>(128)</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>(38)</td>
<td>(3,151)</td>
<td>775</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>53</td>
<td>423</td>
<td>(203)</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>15</td>
<td>(2,728)</td>
<td>572</td>
</tr>
<tr>
<td>Net (income) loss attributable to non-controlling interests</td>
<td>(3)</td>
<td>116</td>
<td>(7)</td>
</tr>
<tr>
<td>Net income (loss) attributable to Expedia Group, Inc.</td>
<td>12</td>
<td>(2,612)</td>
<td>565</td>
</tr>
<tr>
<td>Preferred stock dividend</td>
<td>(67)</td>
<td>(75)</td>
<td>—</td>
</tr>
<tr>
<td>Loss on redemption of preferred stock</td>
<td>(214)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss) attributable to Expedia Group, Inc. common stockholders</td>
<td>$ (269)</td>
<td>$ (2,687)</td>
<td>$ 565</td>
</tr>
</tbody>
</table>

**Earnings (loss) per share attributable to Expedia Group, Inc. available to common stockholders:**

<table>
<thead>
<tr>
<th>Type</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$ (1.80)</td>
<td>$(19.00)</td>
<td>3.84</td>
</tr>
<tr>
<td>Diluted</td>
<td>(1.80)</td>
<td>(19.00)</td>
<td>3.77</td>
</tr>
</tbody>
</table>

**Shares used in computing earnings (loss) per share (000’s):**

<table>
<thead>
<tr>
<th>Type</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>149,734</td>
<td>141,414</td>
<td>147,194</td>
</tr>
<tr>
<td>Diluted</td>
<td>149,734</td>
<td>141,414</td>
<td>149,884</td>
</tr>
</tbody>
</table>

(1) Includes stock-based compensation as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>$ 22</td>
<td>$ 12</td>
<td>$ 12</td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>96</td>
<td>48</td>
<td>45</td>
</tr>
<tr>
<td>Technology and content</td>
<td>117</td>
<td>69</td>
<td>74</td>
</tr>
<tr>
<td>General and administrative</td>
<td>183</td>
<td>76</td>
<td>110</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.

---

F- 4
EXPEDIA GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$15</td>
<td>$(2,728)</td>
<td>$572</td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation adjustments, net of taxes</td>
<td>(72)</td>
<td>67</td>
<td>(5)</td>
</tr>
<tr>
<td>Net reclassification of foreign currency translation adjustments into total other expenses, net</td>
<td>74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of tax</td>
<td>2</td>
<td>67</td>
<td>(5)</td>
</tr>
<tr>
<td>Comprehensive income (loss)</td>
<td>17</td>
<td>(2,661)</td>
<td>567</td>
</tr>
<tr>
<td>Less: Comprehensive income (loss) attributable to non-controlling interests</td>
<td>(24)</td>
<td>(88)</td>
<td>(1)</td>
</tr>
<tr>
<td>Less: Preferred stock dividend</td>
<td>67</td>
<td>75</td>
<td>—</td>
</tr>
<tr>
<td>Less: Loss on redemption of preferred stock</td>
<td>214</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Comprehensive income (loss) attributable to Expedia Group, Inc. common stockholders</td>
<td>$ (240)</td>
<td>$(2,648)</td>
<td>$568</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
### EXPEDIA GROUP, INC.
#### CONSOLIDATED BALANCE SHEETS

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,111</td>
<td>$3,363</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>1,694</td>
<td>772</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>200</td>
<td>24</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance of $65 and $101</td>
<td>1,264</td>
<td>701</td>
</tr>
<tr>
<td>Income taxes receivable</td>
<td>85</td>
<td>120</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>827</td>
<td>654</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$8,181</td>
<td>$5,634</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>2,180</td>
<td>2,257</td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td>407</td>
<td>574</td>
</tr>
<tr>
<td>Long-term investments and other assets</td>
<td>1,450</td>
<td>671</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>766</td>
<td>659</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>1,393</td>
<td>1,515</td>
</tr>
<tr>
<td>Goodwill</td>
<td>7,171</td>
<td>7,380</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$21,548</td>
<td>$18,690</td>
</tr>
<tr>
<td><strong>LIABILITIES AND STOCKHOLDERS’ EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable, merchant</td>
<td>$1,333</td>
<td>$602</td>
</tr>
<tr>
<td>Accounts payable, other</td>
<td>688</td>
<td>496</td>
</tr>
<tr>
<td>Deferred merchant bookings</td>
<td>5,688</td>
<td>3,107</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>166</td>
<td>172</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>16</td>
<td>50</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>824</td>
<td>979</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>735</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$9,450</td>
<td>$5,406</td>
</tr>
<tr>
<td>Long-term debt, excluding current maturities</td>
<td>7,715</td>
<td>8,216</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>58</td>
<td>67</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>360</td>
<td>513</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>413</td>
<td>462</td>
</tr>
<tr>
<td><strong>Commitments and contingencies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A Preferred Stock: $.001 par value, Authorized shares: 100,000; Shares issued: 1,200 and 1,200, and shares outstanding: — and 1,200</td>
<td>—</td>
<td>1,022</td>
</tr>
<tr>
<td><strong>Stockholders’ equity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock $.0001 par value, Authorized shares: 1,600,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Shares issued: 274,661 and 261,564; Shares outstanding: 150,125 and 138,074</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Class B common stock $.0001 par value, Authorized shares: 400,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Shares issued: 12,800 and 12,800; Shares outstanding: 5,523 and 5,523</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>14,229</td>
<td>13,566</td>
</tr>
<tr>
<td>Treasury stock — Common stock and Class B, at cost, Shares 131,813 and 130,767</td>
<td>(10,262)</td>
<td>(10,097)</td>
</tr>
<tr>
<td>Retained earnings (deficit)</td>
<td>(1,761)</td>
<td>(1,781)</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>(149)</td>
<td>(178)</td>
</tr>
<tr>
<td>Total Expedia Group, Inc. stockholders’ equity</td>
<td>2,057</td>
<td>1,510</td>
</tr>
<tr>
<td>Non-redeemable non-controlling interests</td>
<td>1,495</td>
<td>1,494</td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td>3,552</td>
<td>3,004</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY</strong></td>
<td>$21,548</td>
<td>$18,690</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.
### EXPEDIA GROUP, INC.

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS’ EQUITY**

(In millions, except share and per share data)

<table>
<thead>
<tr>
<th>Shares</th>
<th>Amount</th>
<th>Shares</th>
<th>Amount</th>
<th>Shares</th>
<th>Amount</th>
<th>Shares</th>
<th>Amount</th>
<th>Shares</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>Class B common stock</td>
<td>Additional paid-in capital</td>
<td>Treasury stock - Common and Class B</td>
<td>Retained earnings (deficit)</td>
<td>Accumulated other comprehensive income (loss)</td>
<td>Non-redeemable non-controlling interest</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>231,492,986</td>
<td>$ —</td>
<td>12,799,999</td>
<td>$ —</td>
<td>9,549</td>
<td>$ —</td>
<td>97,158,586</td>
<td>$ (5,742)</td>
<td>517</td>
<td>$ (220)</td>
</tr>
<tr>
<td><strong>Net income (excludes $2 of net loss attributable to redeemable non-controlling interest)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>565</td>
<td>9</td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss), net of taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Payment of dividends to common stockholders (declared at $1.32 per share)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(195)</td>
<td>(195)</td>
</tr>
<tr>
<td><strong>Proceeds from exercise of equity instruments and employee stock purchase plans</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4,453,610</td>
<td>—</td>
<td></td>
<td>301</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Withholding taxes for stock options</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Liberty Expedia Holdings transaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20,745,181</td>
<td>—</td>
<td></td>
<td>2,883</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Treasury stock activity related to vesting of equity instruments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>295,185</td>
<td>(36)</td>
</tr>
<tr>
<td><strong>Common stock repurchases</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>5,562,083</td>
<td>(683)</td>
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<td><strong>Adjustment to the fair value of redeemable non-controlling interests</strong></td>
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<td><strong>Other changes in ownership of non-controlling interests</strong></td>
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<tr>
<td><strong>Impact of adoption of new accounting guidance</strong></td>
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<tr>
<td><strong>Stock-based compensation expense</strong></td>
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<td><strong>Balance as of December 31, 2019</strong></td>
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<tr>
<td>256,691,777</td>
<td>$ —</td>
<td>12,799,999</td>
<td>$ —</td>
<td>12,978</td>
<td>$ —</td>
<td>126,892,525</td>
<td>$ (9,673)</td>
<td>879</td>
<td>$ (217)</td>
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<tr>
<td><strong>Net loss</strong></td>
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<td>(2,612)</td>
<td>(116)</td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss), net of taxes</strong></td>
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<td>39</td>
<td>28</td>
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<tr>
<td><strong>Payment of dividends to common stockholders (declared at $0.34 per share)</strong></td>
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<td></td>
<td>(48)</td>
<td>(48)</td>
</tr>
<tr>
<td><strong>Payment of preferred dividends (declared at $62.47 per share)</strong></td>
<td></td>
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<td>(75)</td>
<td>(75)</td>
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<tr>
<td><strong>Proceeds from exercise of equity instruments and employee stock purchase plans</strong></td>
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<td>4,872,135</td>
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<tr>
<td><strong>Common stock warrants, net of issuance costs</strong></td>
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<td>110</td>
<td>110</td>
</tr>
<tr>
<td><strong>Treasury stock activity related to vesting of equity instruments</strong></td>
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<td></td>
<td></td>
<td>489,263</td>
<td>(54)</td>
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<tr>
<td><strong>Common stock repurchases</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>3,364,119</td>
<td>(370)</td>
</tr>
<tr>
<td><strong>Adjustment to the fair value of redeemable non-controlling interests</strong></td>
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<td>4</td>
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</tr>
<tr>
<td><strong>Other changes in ownership of non-controlling interests</strong></td>
<td></td>
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<td>4</td>
<td>13</td>
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<tr>
<td><strong>Stock-based compensation expense</strong></td>
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<td>225</td>
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<tr>
<td><strong>Other</strong></td>
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<td>1</td>
<td>20,630</td>
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<tr>
<td></td>
<td>Shares</td>
<td>Amount</td>
<td>Shares</td>
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</tr>
<tr>
<td>Common stock</td>
<td>261,563,912</td>
<td>$ —</td>
<td>12,799,999</td>
<td>$ —</td>
<td>13,566</td>
<td>$ —</td>
<td>130,766,537</td>
<td>$ (10,097)</td>
<td>$ (1,781)</td>
</tr>
<tr>
<td>Treasury stock - Class B</td>
<td>12</td>
<td>$ —</td>
<td>14,228</td>
<td>$ —</td>
<td>131,812,764</td>
<td>$ (10,262)</td>
<td>$ (1,761)</td>
<td>$ (149)</td>
<td>$ 1,495</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>29</td>
<td>$ (67)</td>
<td>503</td>
<td>$ 503</td>
<td>1,046,227</td>
<td>(165)</td>
<td>8</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Non-redeemable non-controlling interest</td>
<td>465</td>
<td>465</td>
<td></td>
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<tr>
<td>Other comprehensive income (loss), net of taxes</td>
<td>12</td>
<td>$ 3</td>
<td>15</td>
<td></td>
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<td></td>
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<tr>
<td>Net income</td>
<td>29</td>
<td>$ (67)</td>
<td>503</td>
<td>$ 503</td>
<td>1,046,227</td>
<td>(165)</td>
<td>8</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Payment of preferred dividends (declared at $74.96 per share)</td>
<td>(67)</td>
<td>(67)</td>
<td></td>
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<tr>
<td>Proceeds from exercise of equity instruments and employee stock purchase plans</td>
<td>8,031,432</td>
<td>—</td>
<td>503</td>
<td>$ 503</td>
<td>1,046,227</td>
<td>(165)</td>
<td>8</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td>Exercise of common stock warrants</td>
<td>5,065,381</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,046,227</td>
<td>(165)</td>
<td>8</td>
<td>8</td>
<td>25</td>
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<tr>
<td>Loss on redemption of preferred stock</td>
<td>(214)</td>
<td>(214)</td>
<td></td>
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<tr>
<td>Withholding taxes for stock options</td>
<td>(20)</td>
<td>(20)</td>
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<tr>
<td>Treasury stock activity related to vesting of equity instruments</td>
<td>1,046,227</td>
<td>(165)</td>
<td>25</td>
<td>21</td>
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<tr>
<td>Adjustment to the fair value of redeemable non-controlling interests</td>
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<tr>
<td>Other changes in ownership of non-controlling interests</td>
<td>(4)</td>
<td>25</td>
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<tr>
<td>Stock-based compensation expense</td>
<td>465</td>
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<tr>
<td>Balance as of December 31, 2020</td>
<td>274,660,725</td>
<td>$ —</td>
<td>12,799,999</td>
<td>$ —</td>
<td>14,228</td>
<td>$ —</td>
<td>131,812,764</td>
<td>$ (10,262)</td>
<td>$ (1,761)</td>
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</tbody>
</table>

See notes to consolidated financial statements.
## EXPEDIA GROUP, INC.
### CONSOLIDATED STATEMENTS OF CASH FLOWS

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In millions)</td>
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</tbody>
</table>

### Operating activities:

#### Net income (loss)

$ 15 $ (2,728) $ 572

### Adjustments to reconcile net income (loss) to net cash provided by operating activities:

- Depreciation of property and equipment, including internal-use software and website development: $ 715 $ 739 $ 712
- Amortization of stock-based compensation: $ 418 $ 205 $ 241
- Amortization of intangible assets: $ 99 $ 154 $ 198
- Impairment of goodwill, intangible and other long-term assets: $ 20 $ 974 $ —
- Deferred income taxes: (145) (488) (91)
- Foreign exchange (gain) loss on cash, restricted cash and short-term investments, net: $ 105 $ 2 $ (5)
- Realized (gain) loss on foreign currency forwards: $ 16 $ (80) $ (22)
- (Gain) loss on minority equity investments, net: $ 29 $ 142 $ (8)
- Loss on debt extinguishment: $ 280 $ — $ —
- Provision for credit losses and other, net: $ 32 $ 135 $ (21)
- Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:
  - Accounts receivable: (721) 1,781 (368)
  - Prepaid expenses and other assets: (224) (188) (193)
  - Accounts payable, merchant: 777 (1,320) 224
  - Accounts payable, other, accrued expenses and other liabilities: $ 138 $ (400) $ 254
  - Tax payable/receivable, net: $ 10 $ (57) $ (23)
  - Deferred merchant bookings: 2,642 (2,576) 1,342
  - Deferred revenue: (2) (142) (45)

#### Net cash provided by (used in) operating activities

$ 3,748 $ (3,834) $ 2,767

### Investing activities:

- Capital expenditures, including internal-use software and website development: (673) (797) (1,160)
- Purchases of investments: (201) (685) (1,346)
- Sales and maturities of investments: $ 23 $ 1,161 $ 852
- Cash and restricted cash divested from sale of business, net of proceeds: (60) (21) —
- Other, net: (20) 79 101

#### Net cash used in investing activities

(931) (263) (1,553)

### Financing activities:

- Revolving credit facility borrowings: — 2,672 —
- Revolving credit facility repayments: — (2,672) —
- Proceeds from issuance of long-term debt, net of issuance costs: 1,964 3,945 1,231
- Payment of long-term debt: (1,706) (750) —
- Debt extinguishment costs: (258) — —
- Payment of Liberty Expedia Exchangeable Debentures: — — (400)
- Net proceeds from issuance of preferred stock and warrants: — 1,132 —
- Redemption of preferred stock: (1,236) — —
- Purchases of treasury stock: (165) (425) (743)
- Payment of dividends to common and preferred stockholders: (67) (123) (195)
- Proceeds from exercise of equity awards and employee stock purchase plan: 503 319 301
- Other, net: (8) (21) (19)

#### Net cash provided by (used in) financing activities

(973) 4,077 175

### Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents

(177) 61 3

### Net increase in cash, cash equivalents and restricted cash and cash equivalents

1,667 41 1,392

### Cash, cash equivalents and restricted cash and cash equivalents at beginning of year

4,138 4,097 2,705

### Cash, cash equivalents and restricted cash and cash equivalents at end of year

$ 5,805 $ 4,138 $ 4,097

### Supplemental cash flow information

- Cash paid for interest: $ 342 $ 313 $ 157
- Income tax payments, net: 74 108 304

See notes to consolidated financial statements.
Expedia Group, Inc.

Notes to Consolidated Financial Statements

NOTE 1 — Organization and Basis of Presentation

Description of Business

Expedia Group, Inc. and its subsidiaries provide travel products and services to leisure and corporate travelers in the United States and abroad as well as various media and advertising offerings to travel and non-travel advertisers. These travel products and services are offered through a diversified portfolio of brands including: Brand Expedia®, Hotels.com®, Expedia® Partner Solutions, Vrbo®, trivago®, Orbitz®, Travelocity®, Hotwire®, Wotif®, ebookers®, CheapTickets®, Expedia Group™ Media Solutions, CarRentals.com™, Expedia Cruises™, and Traveldoo®. In addition, many of these brands have related international points of sale. We refer to Expedia Group, Inc. and its subsidiaries collectively as “Expedia Group,” the “Company,” “us,” “we” and “our” in these consolidated financial statements.

COVID-19

The COVID-19 pandemic has severely restricted the level of economic activity around the world, had an unprecedented effect on the global travel industry and materially and negatively impacted our business, financial results and financial condition. Since the first quarter of 2020, the governments of many countries, states, cities and other geographic regions have implemented, and continue to implement, a variety of containment measures, including travel restrictions, bans and advisories, instructions to practice social distancing, curfews, quarantine advisories, including quarantine restrictions after travel in certain locations, “shelter-in-place” orders, required closures of non-essential businesses, vaccination mandates or requirements for businesses to confirm employees’ vaccination status, and other restrictions. While the process of vaccinating their residents against COVID-19 is underway in many countries, with various levels of success, the large scale and challenging logistics of distributing the vaccines, the unavailability of vaccines in many regions, the impact of vaccine hesitancy, as well as uncertainty over the efficacy of the vaccine against new variants of the virus, may all contribute to delays in economic recovery, particularly for the travel industry.

Overall, the full duration and total impact of COVID-19 remains uncertain and it is difficult to predict how the recovery will unfold for the travel industry and, in particular, our business, going forward.

Basis of Presentation

The accompanying consolidated financial statements include Expedia Group, Inc., our wholly-owned subsidiaries, and entities we control, or in which we have a variable interest and are the primary beneficiary of expected cash profits or losses. We record our investments in entities that we do not control, but over which we have the ability to exercise significant influence, using the equity method or at fair value. We have eliminated significant intercompany transactions and accounts.

We believe that the assumptions underlying our consolidated financial statements are reasonable. However, these consolidated financial statements do not present our future financial position, the results of our future operations and cash flows.

Seasonality

We generally experience seasonal fluctuations in the demand for our travel services. For example, traditional leisure travel bookings are generally the highest in the first three quarters as travelers plan and book their spring, summer and winter holiday travel. The number of bookings typically decreases in the fourth quarter. Since revenue for most of our travel services, including merchant and agency hotel, is recognized as the travel takes place rather than when it is booked, revenue typically lags bookings by several weeks for our hotel business and can be several months or more for our alternative accommodations business. Historically, Vrbo has seen seasonally stronger bookings in the first quarter of the year, with the relevant stays occurring during the peak summer travel months. The seasonal revenue impact is exacerbated with respect to income by the nature of our variable cost of revenue and direct sales and marketing costs, which we typically realize in closer alignment to booking volumes, and the more stable nature of our fixed costs. Furthermore, operating profits for our primary advertising business, trivago, have typically been experienced in the second half of the year, particularly the fourth quarter, as selling and marketing costs offset revenue in the first half of the year as we typically increase marketing during the busy booking period for spring, summer and winter holiday travel. As a result on a consolidated basis, revenue and income are typically the lowest in the first quarter and highest in the third quarter. The growth of our international operations, advertising business or a change in our product mix, including the growth of Vrbo, may influence the typical trend of the seasonality in the future.

Impacts from COVID-19 disrupted our typical seasonal pattern for bookings, revenue, profit and cash flows during 2020 and 2021. Significantly higher cancellations and reduced booking volumes, particularly in the first half of 2020, resulted in material operating losses and negative cash flow. Although travel volumes remain materially lower than historic levels, booking and travel trends improved during the second half of 2020, and in 2021. This resulted in working capital benefits and positive
cash flow more akin to typical historical trends. It remains difficult to forecast the seasonality for the upcoming quarters, given the uncertainty related to the duration of the impact from COVID-19 and the shape and timing of any sustained recovery.

NOTE 2 — Significant Accounting Policies

Consolidation

Our consolidated financial statements include the accounts of Expedia Group, Inc., our wholly-owned subsidiaries, and entities for which we control a majority of the entity’s outstanding common stock. We record non-controlling interest in our consolidated financial statements to recognize the minority ownership interest in our consolidated subsidiaries. Non-controlling interest in the earnings and losses of consolidated subsidiaries represent the share of net income or loss allocated to members or partners in our consolidated entities, which includes the non-controlling interest share of net income or loss from our redeemable and non-redeemable non-controlling interest entities. trivago is a separately listed company on the Nasdaq Global Select Market and, therefore, is subject to its own reporting and filing requirements, which could result in possible differences that are not expected to be material to Expedia Group, Inc.

We have eliminated significant intercompany transactions and accounts in our consolidated financial statements.

Accounting Estimates

We use estimates and assumptions in the preparation of our consolidated financial statements in accordance with accounting principles generally accepted in the United States (“GAAP”). Our estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of our consolidated financial statements. These estimates and assumptions also affect the reported amount of net income or loss during any period. Our actual financial results could differ significantly from these estimates. The significant estimates underlying our consolidated financial statements include revenue recognition; recoverability of current and long-lived assets, intangible assets and goodwill; income and transactional taxes, such as potential settlements related to occupancy and excise taxes; loss contingencies; deferred loyalty rewards; acquisition purchase price allocations; stock-based compensation and accounting for derivative instruments and provisions for credit losses, customer refunds and chargebacks.

The COVID-19 pandemic has created and may continue to create significant uncertainty in macroeconomic conditions, which may cause further business disruptions and adversely impact our results of operations. As a result, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods.

Reclassifications

We have reclassified prior period financial statements to conform to the current period presentation. During the first quarter of 2021, we centralized the management of our licensing and maintenance costs and reclassified certain expenses to technology and content expense from within our other operating expense line items on our consolidated statements of operations. The following table presents a summary of the amounts as reported and as reclassified in our consolidated statements of operations for the years ended December 31, 2020 and 2019:

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31, 2020</th>
<th>Year ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As reported</td>
<td>As reclassified</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>$1,680</td>
<td>$1,649</td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>2,546</td>
<td>2,527</td>
</tr>
<tr>
<td>Technology and content</td>
<td>1,010</td>
<td>1,068</td>
</tr>
<tr>
<td>General and administrative</td>
<td>597</td>
<td>589</td>
</tr>
</tbody>
</table>

Revenue Recognition

We recognize revenue upon transfer of control of our promised services in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

For our primary transaction-based revenue sources, discussed below, we have determined net presentation (that is, the amount billed to a traveler less the amount paid to a supplier) is appropriate for the majority of our revenue transactions as the supplier is primarily responsible for providing the underlying travel services and we do not control the service provided by the supplier to the traveler. We exclude all taxes assessed by a government authority, if any, from the measurement of transaction
prices that are imposed on our travel related services or collected by the Company from customers (which are therefore excluded from revenue).

We offer traditional travel services on a stand-alone and package basis generally either through the merchant or the agency business model.

Under the merchant model, we facilitate the booking of hotel rooms, alternative accommodations, airline seats, car rentals and destination services from our travel suppliers and we are the merchant of record for such bookings.

Under the agency model, we pass reservations booked by the traveler to the relevant travel supplier and the travel supplier serves as the merchant of record for such bookings. We receive commissions or ticketing fees from the travel supplier and/or traveler. For certain agency airline, hotel and car transactions, we also receive fees through global distribution systems (“GDS”) that provide the computer systems through which the travel supplier inventory is made available and through which reservations are booked.

Under the advertising model, we offer travel and non-travel advertisers access to a potential source of incremental traffic and transactions through our various media and advertising offerings on trivago and our transaction-based websites.

In addition, Vrbo also provides subscription-based listing and other ancillary services to property owners and managers.

The nature of our travel booking service performance obligations vary based on the travel service with differences primarily related to the degree to which we provide post booking services to the traveler and the timing when rights and obligations are triggered in our underlying supplier agreements. We consider both the traveler and travel supplier as our customers.

Refer to NOTE 19 — Segment Information for revenue by business model and service type.

**Lodging.** Our lodging revenue is comprised of revenue recognized under the merchant, agency and Vrbo subscription-based listing services model.

**Merchant Hotel.** We provide travelers access to book hotel room reservations through our contracts with lodging suppliers, which provide us with rates and availability information for rooms but for which we have no control over the rooms and do not bear inventory risk. Our travelers pay us for merchant hotel transactions prior to departing on their trip, generally when they book the reservation. We record the payment in deferred merchant bookings until the stayed night occurs, at which point we recognize the revenue, net of amounts paid to suppliers, as this is when our performance obligation is satisfied. In certain nonrefundable, nonchangeable transactions where we have no significant post booking services (primarily opaque hotel offerings), we record revenue when the traveler completes the transaction on our website, less a reserve for chargebacks and cancellations based on historical experience. Payments to suppliers are generally due within 30 days of check-in or stay.

In certain instances when a supplier invoices us for less than the cost we accrued, we generally reduce our merchant accounts payable and the supplier costs within net revenue six months in arrears, net of an allowance, when we determine it is not probable that we will be required to pay the supplier, based on historical experience. Cancellation fees are collected and remitted to the supplier, if applicable.

**Agency Hotel.** We generally record agency revenue from the hotel when the stayed night occurs as we provide post booking services to the traveler and, thus consider the stay as when our performance obligation is satisfied. We record an allowance for cancellations on this revenue based on historical experience.

**Merchant and Agency Vrbo Alternative Accommodations.** Vrbo's lodging revenue is generally earned on a pay-per-booking basis, which can be either merchant or agency bookings depending on the nature of the payment processor. Pay-per-booking arrangements are commission-based where rental property owners and managers bear the inventory risk, have latitude in setting the price and compensate Vrbo for facilitating bookings with travelers. Under pay-per-booking arrangements, each booking is a separate contract as listings are typically cancelable at any time and the related revenue, net of amounts paid to property owners, is recognized at check in, which is the point in time when our service to the traveler is complete. Vrbo also charges a traveler service fee at the time of booking. The service fee charged to travelers provides compensation for Vrbo's services, including but not limited to the use of Vrbo's website and a “Book with Confidence Guarantee” providing travelers with comprehensive payment protection and 24/7 traveler support. The performance obligation is to facilitate the booking of a property and assist travelers up to their check in process and, as such, the traveler service fee revenue is recognized at check-in.

**Subscription-based Listing Services.** To a lesser extent, Vrbo's lodging revenue is also earned on a pay-per-subscription basis. In pay-per-subscription contracts, property owners or managers purchase in advance online advertising services related to the listing of their properties for rent over a fixed term (typically one year). As the performance obligation is the listing service and is provided to the property owner or manager over the life of the listing period, the pay-per-subscription revenue is recognized on a straight-line basis over the listing period.

**Merchant and Agency Air.** We record revenue on air transactions when the traveler books the transaction, as we do not typically provide significant post booking services to the traveler and payments due to and from air carriers are typically due at
the time of ticketing. We record a reserve for chargebacks and cancellations at the time of the transaction based on historical experience. In certain transactions, the GDS collects commissions from our suppliers and passes these commissions to us, net of their fees. Therefore, we view payments through the GDS as commissions from suppliers and record these commissions in net revenue. Fees paid to the GDS as compensation for their role in processing transactions are recorded as cost of revenue.

**Advertising and Media.** We record revenue from click-through fees charged to our travel partners for leads sent to the travel partners’ websites. We record revenue from click-through fees after the traveler makes the click-through to the related travel partners’ websites. We record revenue for advertising placements ratably over the advertising period or upon delivery of advertising impressions, depending on the terms of the contract. Payments from advertisers are generally due within 30 days of invoicing.

**Other.** Other primarily includes transaction revenue for booking services related to products such as car, cruise and destination services under the agency business model. We generally record the related revenue when the travel occurs, as in most cases we provide post booking services and this is when our performance obligation is complete. Additionally, no rights or obligations are triggered in our supplier agreements until the travel occurs. We record an allowance for cancellations on this revenue based on historical experience. Revenue from other ancillary accommodation services or products are recorded either upon delivery or when we provide the service. In addition, other also includes travel insurance products primarily under the merchant model, for which revenue is recorded at the time the transaction is booked.

**Packages.** Packages assembled by travelers through the packaging functionality on our websites generally include a merchant hotel component and some combination of an air, car or destination services component. The individual package components are accounted for as separate performance obligations and recognized in accordance with our revenue recognition policies stated above.

**Prepaid Merchant Bookings.** We classify payments made to suppliers in advance of Vrbo performance obligations as prepaid merchant bookings included within prepaid and other current assets. Prepaid merchant bookings was $581 million as of December 31, 2021 and $389 million as of December 31, 2020.

**Deferred Merchant Bookings.** We classify cash payments received in advance of our performance obligations as deferred merchant bookings. At December 31, 2020, $2.3 billion of advance cash payments was reported within deferred merchant bookings, $1.7 billion of which was recognized resulting in $301 million of revenue during the year ended December 31, 2021 with the remainder primarily consisting of cancellations during the year. At December 31, 2021, the related balance was $4.9 billion.

Travelers enrolled in our internally administered traveler loyalty rewards programs earn points for each eligible booking made which can be redeemed for free or discounted future bookings. Hotels.com Rewards offers travelers one free night at any Hotels.com partner property after that traveler stays 10 nights, subject to certain restrictions. Expedia Rewards enables participating travelers to earn points on all hotel, flight, package and activities made on various Brand Expedia websites. Orbitz Rewards allows travelers to earn Orbucks, the currency of Orbitz Rewards, on flights, hotels and vacation packages and instantly redeem those Orbucks on future bookings at various hotels worldwide. As travelers accumulate points towards free travel products, we defer the relative standalone selling price of earned points, net of expected breakage, as deferred loyalty rewards within deferred merchant bookings on the consolidated balance sheet. In order to estimate the standalone selling price of the underlying services on which points can be redeemed for all loyalty programs, we use an adjusted market assessment approach and consider the redemption values expected from the traveler. We then estimate the number of rewards that will not be redeemed based on historical activity in our members' accounts as well as statistical modeling techniques. Revenue is recognized when we have satisfied our performance obligation relating to the points, that is when the travel service purchased with the loyalty award is satisfied. The majority of rewards expected to be redeemed are recognized within one to two years of being earned. At December 31, 2020, $769 million of deferred loyalty rewards was reported within deferred merchant bookings, $569 million of which was recognized as revenue during the year ended December 31, 2021. At December 31, 2021, the related balance was $798 million.

**Deferred Revenue.** Deferred revenue primarily consists of unearned subscription revenue as well as deferred advertising revenue. At December 31, 2020, $172 million was recorded as deferred revenue, $105 million of which was recognized as revenue during the year ended December 31, 2021. At December 31, 2021, the related balance was $166 million.

**Practical Expedients and Exemptions.** We have used the portfolio approach to account for our loyalty points as the rewards programs share similar characteristics within each program in relation to the value provided to the traveler and their breakage patterns. Using this portfolio approach is not expected to differ materially from applying the guidance to individual contracts. However, we will continue to assess and refine, if necessary, how a portfolio within each rewards program is defined.

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.
Cash, Restricted Cash, and Cash Equivalents

Our cash and cash equivalents include cash and liquid financial instruments, including U.S. treasury securities, money market funds and term deposit investments, with maturities of three months or less when purchased. Restricted cash includes cash and cash equivalents that is restricted through legal contracts, regulations or our intention to use the cash for a specific purpose. Our restricted cash primarily relates to certain traveler deposits and to a lesser extent collateral for office leases. The following table reconciles cash, cash equivalents and restricted cash reported in our consolidated balance sheets to the total amount presented in our consolidated statements of cash flows:

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,111</td>
<td>$3,363</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>1,694</td>
<td>772</td>
</tr>
<tr>
<td>Restricted cash included within long-term investments and other assets</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td>Total cash, cash equivalents and restricted cash and cash equivalents in the consolidated statement of cash flow</td>
<td>$5,805</td>
<td>$4,138</td>
</tr>
</tbody>
</table>

Short-term and Long-term Investments

We determine the appropriate classification of our investments in marketable securities at the time of purchase and reevaluate such designation at each balance sheet date. Investments, other than minority equity investments, classified as available-for-sale are recorded at fair value with unrealized holding gains and losses recorded, net of tax, as a component of accumulated other comprehensive income ("OCI"). Realized gains and losses from the sale of available-for-sale investments, if any, are determined on a specific identification basis. Investments with remaining maturities of less than one year are classified within short-term investments. All other investments are classified within long-term investments and other assets.

Minority equity investments with either readily determinable fair values, such as our investment in Despegar.com Corp ("Despegar"), or for which we have elected to apply the fair value option, such as our indirect investment in American Express Global Business Travel ("GBT"), are measured at fair value on a recurring basis with changes in fair value recorded through net income or loss. Minority investments without readily determinable fair values, for which we have not elected to measure at fair value, are measured using the equity method, or measured at cost with observable price changes reflected through net income or loss. We perform a qualitative assessment on a quarterly basis and recognize an impairment if there are sufficient indicators that the fair value of the investment is less than carrying value. Changes in value of minority equity investments are recorded in other income (expense), net.

Accounts Receivable

Accounts receivable are generally due within thirty days and are recorded net of an allowance for expected uncollectible amounts. We consider accounts outstanding longer than the contractual payment terms as past due. The risk characteristics we generally review when analyzing our accounts receivable pools primarily include the type of receivable (for example, credit card vs hotel collect), collection terms and historical or expected credit loss patterns. For each pool, we make estimates of expected credit losses for our allowance by considering a number of factors, including the length of time trade accounts receivable are past due, previous loss history continually updated for new collections data, the credit quality of our customers, current economic conditions, reasonable and supportable forecasts of future economic conditions and other factors that may affect our ability to collect from customers. The provision for estimated credit losses is recorded as cost of revenue in our consolidated statements of operations.

Property and Equipment

We record property and equipment at cost, net of accumulated depreciation and amortization. We also capitalize certain costs incurred related to the development of internal use software. We capitalize costs incurred during the application development stage related to the development of internal use software. We expense costs incurred related to the planning and post-implementation phases of development as incurred.

We compute depreciation using the straight-line method over the estimated useful lives of the assets, which is three to five years for computer equipment, capitalized software development and furniture and other equipment, 15 years for land improvements, and 40 years for buildings, which includes our corporate headquarters. Land is not depreciated. We amortize leasehold improvement using the straight-line method, over the shorter of the estimated useful life of the improvement or the remaining term of the lease.
We establish assets and liabilities for the present value of estimated future costs to return certain of our leased facilities to their original condition under the authoritative accounting guidance for asset retirement obligations. Such assets are depreciated over the lease period into operating expense, and the recorded liabilities are accreted to the future value of the estimated restoration costs.

**Leases**

We determine if an arrangement is a lease at inception. Operating leases are primarily for office space and data centers and are included in operating lease right-of-use ("ROU") assets, accrued expenses and other current liabilities, and operating lease liabilities on our consolidated balance sheets. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For operating leases with a term of one year or less, we have elected to not recognize a lease liability or ROU asset on our consolidated balance sheet. Instead, we recognize the lease payments as expense on a straight-line basis over the lease term. Short-term lease costs are immaterial to our consolidated statements of operations and cash flows.

We have office space and data center lease agreements with insignificant non-lease components and have elected the practical expedient to combine and account for lease and non-lease components as a single lease component.

**Business Combinations**

We assign the value of the consideration transferred to acquire a business to the tangible assets and identifiable intangible assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing certain intangible assets include but are not limited to future expected cash flows from customer relationships and trade names, and discount rates. Management’s estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Any changes to provisional amounts identified during the measurement period are recognized in the reporting period in which the adjustment amounts are determined.

**Recoverability of Goodwill and Indefinite-Lived Intangible Assets**

Goodwill is assigned to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date. We assess goodwill and indefinite-lived intangible assets, neither of which is amortized, for impairment annually as of October 1, or more frequently, if events and circumstances indicate impairment may have occurred. In the evaluation of goodwill for impairment, we typically perform a quantitative assessment and compare the fair value of the reporting unit to the carrying value. An impairment charge is recorded based on the excess of the reporting unit's carrying amount over its fair value. Periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the goodwill is more likely than not impaired.

We generally base our measurement of fair value of reporting units, except for trivago, which is a separately listed company on the Nasdaq Global Select Market, on a blended analysis of the present value of future discounted cash flows and market valuation approach with the exception of our standalone publicly traded subsidiary, which is based on market valuation. The discounted cash flows model indicates the fair value of the reporting units based on the present value of the cash flows that we expect the reporting units to generate in the future. Our significant estimates in the discounted cash flows model include: our weighted average cost of capital; long-term rate of growth and profitability of our business; and working capital effects. The market valuation approach indicates the fair value of the business based on a comparison of the Company to comparable publicly traded firms in similar lines of business. Our significant estimates in the market approach model include identifying similar companies with comparable business factors such as size, growth, profitability, risk and return on investment and assessing comparable revenue and operating income multiples in estimating the fair value of the reporting units. The fair value of the trivago reporting unit was based on trivago's stock price, a Level 1 input, adjusted for an estimated control premium.

We believe the weighted use of discounted cash flows and market approach is the best method for determining the fair value of our reporting units because these are the most common valuation methodologies used within the travel and internet.
industries; and the blended use of both models compensates for the inherent risks associated with either model if used on a stand-alone basis.

In addition to measuring the fair value of our reporting units as described above, we consider the combined carrying and fair values of our reporting units in relation to the Company’s total fair value of equity plus debt as of the assessment date. Our equity value assumes our fully diluted market capitalization, using either the stock price on the valuation date or the average stock price over a range of dates around the valuation date, plus an estimated acquisition premium which is based on observable transactions of comparable companies. The debt value is based on the highest value expected to be paid to repurchase the debt, which can be fair value, principal or principal plus a premium depending on the terms of each debt instrument.

In our evaluation of our indefinite-lived intangible assets, we typically first perform a quantitative assessment and an impairment charge is recorded for the excess of the carrying value of indefinite-lived intangible assets over their fair value, if necessary. We base our measurement of fair value of indefinite-lived intangible assets, which primarily consist of trade name and trademarks, using the relief-from-royalty method. This method assumes that the trade name and trademarks have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. As with goodwill, periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the indefinite-lived intangible asset is more likely than not impaired.

**Recoverability of Intangible Assets with Definite Lives and Other Long-Lived Assets**

Intangible assets with definite lives and other long-lived assets are carried at cost and are amortized on a straight-line basis over their estimated useful lives of one to ten years. We review the carrying value of long-lived assets or asset groups, including property and equipment, to be used in operations whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the observable market value of an asset, among others. If such facts indicate a potential impairment, we would assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we will estimate the fair value of the asset group using appropriate valuation methodologies which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset groups carrying amount and its estimated fair value.

Assets held for sale, to the extent we have any, are reported at the lower of cost or fair value less costs to sell.

**Redeemable Non-controlling Interests**

We have non-controlling interests in majority owned entities, which were carried at fair value as the non-controlling interests contained certain rights, whereby we could acquire and the minority shareholders could sell to us the additional shares of the company. If the redeemable non-controlling interest is redeemable at an amount other than fair value, we adjust the non-controlling interest to redemption value through earnings each period. In circumstances where the non-controlling interest is redeemable at fair value, changes in fair value of the shares for which the minority holders could sell to us were recorded to the non-controlling interest and as charges or credits to retained earnings (or additional paid-in capital in the absence of retained earnings). Fair value determinations required high levels of judgment (“Level 3” on the fair value hierarchy) and were based on various valuation techniques, including market comparables and discounted cash flow projections. We had no redeemable non-controlling interests as of December 31, 2021 and $13 million of redeemable non-controlling interests, which were included within other long-term liabilities, as of December 31, 2020.

**Income Taxes**

We record income taxes under the liability method. Deferred tax assets and liabilities reflect our estimation of the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book and tax purposes. We determine deferred income taxes based on the differences in accounting methods and timing between financial statement and income tax reporting. Accordingly, we determine the deferred tax asset or liability for each temporary difference based on the enacted tax rates expected to be in effect when we realize the underlying items of income and expense.

We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carryforward periods available to us for tax reporting purposes, as well as other relevant factors. We may establish a valuation allowance to reduce deferred tax assets to the amount we believe is more likely than not to be realized. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated
operating results, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates. All deferred income taxes are classified as long-term on our consolidated balance sheets.

We account for uncertain tax positions based on a two-step process of evaluating recognition and measurement criteria. The first step assesses whether the tax position is more likely than not to be sustained upon examination by the tax authority, including resolution of any appeals or litigation, based on the technical merits of the position. If the tax position meets the more likely than not criteria, the portion of the tax benefit greater than 50% likely to be realized upon settlement with the tax authority is recognized in the financial statements.

We recognize interest and penalties related to unrecognized tax benefits in the income tax expense line in our consolidated statement of operations. Accrued interest and penalties are included in other long-term liabilities on the consolidated balance sheet.

In relation to tax effects for accumulated OCI, our policy is to release the tax effects of amounts reclassified from accumulated OCI to pre-tax income (loss) from continuing operations. Any remaining tax effect in accumulated OCI is released following a portfolio approach.

We account for the global intangible low-tax income (“GILTI”) earned by our foreign subsidiaries included in gross U.S. taxable income in the period incurred.

**Derivative Instruments**

Derivative instruments are carried at fair value on our consolidated balance sheets. The fair values of the derivative financial instruments generally represent the estimated amounts we would expect to receive or pay upon termination of the contracts as of the reporting date.

At December 31, 2021 and 2020, our derivative instruments primarily consisted of foreign currency forward contracts. We use foreign currency forward contracts to economically hedge certain merchant revenue exposures, foreign denominated liabilities related to certain of our loyalty programs and our other foreign currency-denominated operating liabilities. Our goal in managing our foreign exchange risk is to reduce, to the extent practicable, our potential exposure to the changes that exchange rates might have on our earnings, cash flows and financial position. Our foreign currency forward contracts are typically short-term and, as they do not qualify for hedge accounting treatment, we classify the changes in their fair value in other, net. We do not hold or issue financial instruments for speculative or trading purposes.

In June 2015, we issued Euro 650 million of registered senior unsecured notes that are due in June 2022 and bear interest at 2.5% (the “2.5% Notes”). The aggregate principal value of the 2.5% Notes is designated as a hedge of our net investment in certain Euro functional currency subsidiaries. The notes are measured at Euro to U.S. Dollar exchange rates at each balance sheet date and transaction gains or losses due to changes in rates are recorded in accumulated OCI. The Euro-denominated net assets of these subsidiaries are translated into U.S. Dollars at each balance sheet date, with effects of foreign currency changes also reported in accumulated OCI. Since the notional amount of the recorded Euro-denominated debt is less than the notional amount of our net investment, we do not expect to incur any ineffectiveness on this hedge.

**Foreign Currency Translation and Transaction Gains and Losses**

Certain of our operations outside of the United States use the related local currency as their functional currency. We translate revenue and expense at average rates of exchange during the period. We translate assets and liabilities at the rates of exchange as of the consolidated balance sheet dates and include foreign currency translation gains and losses as a component of accumulated OCI. Due to the nature of our operations and our corporate structure, we also have subsidiaries that have significant transactions in foreign currencies other than their functional currency. We record transaction gains and losses in our consolidated statements of operations related to the recurring remeasurement and settlement of such transactions.

To the extent practicable, we attempt to minimize this exposure by maintaining natural hedges between our current assets and current liabilities of similarly denominated foreign currencies. Additionally, as discussed above, we use foreign currency forward contracts to economically hedge certain merchant revenue exposures and in lieu of holding certain foreign currency cash for the purpose of economically hedging our foreign currency-denominated operating liabilities.

**Debt Issuance Costs**

We defer costs we incur to issue debt, which are presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability, and amortize these costs to interest expense over the term of the debt or in circumstances where the debt can be redeemed at the option of the holders, over the term of the redemption option.

**Marketing Promotions**
We periodically provide incentive offers to our customers to encourage booking of travel products and services. Generally, our incentive offers are as follows:

**Current Discount Offers.** These promotions include dollar or percent off discounts to be applied against current purchases. We record the discounts as reduction in revenue at the date we record the corresponding revenue transaction.

**Inducement Offers.** These promotions include discounts granted at the time of a current purchase to be applied against a future qualifying purchase. We treat inducement offers as a reduction to revenue based on estimated future redemption rates. We allocate the discount amount at the time of the offer between the current performance obligation and the potential future performance obligations based on our expected relative value of the transactions. We estimate our redemption rates using our historical experience for similar inducement offers.

**Concession Offers.** These promotions include discounts to be applied against a future purchase to maintain customer satisfaction. Upon issuance, we record these concession offers as a reduction to revenue based on estimated future redemption rates. We estimate our redemption rates using our historical experience for concession offers.

**Advertising Expense**

We incur advertising expense consisting of offline costs, including television and radio advertising, and online advertising expense to promote our brands. We expense the production costs associated with advertisements in the period in which the advertisement first takes place. We expense the costs of communicating the advertisement (e.g., television airtime) as incurred each time the advertisement is shown. For the years ended December 31, 2021, 2020 and 2019, our advertising expense was $2.7 billion, $1.2 billion and $3.5 billion.

**Stock-Based Compensation**

We measure and amortize the fair value of restricted stock units (“RSUs”) and stock options as follows:

**Restricted Stock Units.** RSUs are stock awards that are granted to employees entitling the holder to shares of common stock as the award vests, typically over a four-year period, but may accelerate in certain circumstances. During 2019, we started issuing RSUs as our primary form of stock-based compensation, which vested 25% after one year and then vested quarterly over the following three years. Beginning in 2021, we adopted a new vesting schedule for annual equity grants that provides for immediate quarterly vesting over the same four year term. We measure the value of RSUs at fair value based on the number of shares granted and the quoted price of our common stock at the date of grant. We amortize the fair value, net of actual forfeitures, as stock-based compensation expense over the vesting term on a straight-line basis. In addition, we have a limited number of performance stock units (“PSUs”), for which we calculate the fair value using a Monte Carlo valuation model and amortized the fair value, net of actual forfeitures, as stock-based compensation over the vesting term, generally a two or three year period, on an accelerated basis. The number of shares that ultimately vest depends on achieving certain performance metrics or performance goals, as applicable, by the end of the performance period, assuming there is no accelerated vesting for, among other things, a termination of employment under certain circumstances. We record RSUs that may be settled by the holder in cash, rather than shares, as a liability and we remeasure these instruments at fair value at the end of each reporting period. Upon settlement of these awards, our total compensation expense recorded over the vesting period of the awards will equal the settlement amount, which is based on our stock price on the settlement date.

**Stock Options.** Our employee stock options consist of service based awards, some of which also have market-based vesting conditions. We measure the value of stock options issued or modified, including unvested options assumed in acquisitions, on the grant date (or modification or acquisition dates, if applicable) at fair value, using appropriate valuation techniques, including the Black-Scholes and Monte Carlo option pricing models, for awards that contain market-based vesting conditions. We amortize the fair value, net of actual forfeitures, over the remaining explicit vesting term in the case of service-based awards and the longer of the derived service period or the explicit service period for awards with market conditions on a straight-line basis. In addition, we classify certain employee option awards as liabilities when we deem it not probable that the employees holding the awards will bear the risk and rewards of stock ownership for a reasonable period of time. Such options are revalued at the end of each reporting period and upon settlement our total compensation expense recorded from grant date to settlement date will equal the settlement amount. The majority of our stock options vest over four years.

Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive these awards, and subsequent events are not indicative of the reasonableness of our original estimates of fair value.
**Earnings Per Share**

We compute basic earnings per share by taking net income or loss attributable to Expedia Group, Inc. available to common stockholders divided by the weighted average number of common and Class B common shares outstanding during the period excluding restricted stock and stock held in escrow. Diluted earnings per share include the potential dilution that could occur from stock-based awards and other stock-based commitments (which includes our Convertible Notes) using the treasury stock or the if converted method, as applicable. For additional information on how we compute earnings per share, see NOTE 12 — Earnings Per Share.

**Fair Value Recognition, Measurement and Disclosure**

The carrying amounts of cash and cash equivalents and restricted cash and cash equivalents reported on our consolidated balance sheets approximate fair value as we maintain them with various high-quality financial institutions. The accounts receivable are short-term in nature and are generally settled shortly after the sale.

We disclose the fair value of our financial instruments based on the fair value hierarchy using the following three categories:

- **Level 1** — Valuations based on quoted prices for identical assets and liabilities in active markets.
- **Level 2** — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- **Level 3** — Valuations based on unobservable inputs reflecting the Company’s own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

**Certain Risks and Concentrations**

Our business is subject to certain risks and concentrations including dependence on relationships with travel suppliers, primarily airlines and hotels, dependence on third-party technology providers, exposure to risks associated with online commerce security and payment related fraud. We also rely on global distribution system partners and third-party service providers for certain fulfillment services.

Financial instruments, which potentially subject us to concentration of credit risk, consist primarily of cash and cash equivalents. We maintain some cash and cash equivalents balances with financial institutions that are in excess of Federal Deposit Insurance Corporation insurance limits. Our cash and cash equivalents are primarily composed of term deposits as well as bank (both interest and non-interest bearing) account balances denominated in U.S. dollars, Euros, British pound sterling, Canadian dollar, Australian dollar, Japanese yen and Brazilian real.

**Contingent Liabilities**

We have a number of regulatory and legal matters outstanding, as discussed further in NOTE 15 — Commitments and Contingencies. Periodically, we review the status of all significant outstanding matters to assess the potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred and (ii) the amount of the loss can be reasonably estimated, we record the estimated loss in our consolidated statements of operations. We provide disclosure in the notes to the consolidated financial statements for loss contingencies that do not meet both of these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the financial statements. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. We base accruals made on the best information available at the time which can be highly subjective. The final outcome of these matters could vary significantly from the amounts included in the accompanying consolidated financial statements.

**Occupancy and Other Taxes**

Some states and localities impose taxes (e.g. transient occupancy, accommodation tax, sales tax, and/or business privilege tax) on the use or occupancy of hotel accommodations or other traveler services. Generally, hotels collect taxes based on the room rate paid to the hotel and remit these taxes to the various tax authorities. When a customer books a room through one of our travel services, we collect a tax recovery charge from the customer which we pay to the hotel. We calculate the tax recovery charge by applying the applicable tax rate supplied to us by the hotels to the amount that the hotel has agreed to receive for the rental of the room by the consumer. In most jurisdictions, we do not collect or remit taxes, nor do we pay taxes to the hotel operator on the portion of the customer payment we retain. Some jurisdictions have questioned our practice in this regard. While the applicable tax provisions vary among the jurisdictions, we generally believe that we are not required to collect and
remit such taxes. A limited number of taxing jurisdictions have made similar claims against certain of our companies for tax amounts due on the rental amounts charged by owners of alternative accommodations properties or for taxes on our services. We are an intermediary between a traveler and a party renting a vacation property and we believe is similarly not liable for such taxes. We are engaged in discussions with tax authorities in various jurisdictions to resolve these issues. Some tax authorities have brought lawsuits or have levied assessments asserting that we are required to collect and remit tax. The ultimate resolution in all jurisdictions cannot be determined at this time. We have established a reserve for the potential settlement of issues related to hotel occupancy and other taxes when determined to be probable and estimable. See NOTE 15 — Commitments and Contingencies for further discussion.

**Recently Adopted Accounting Policies**

**Simplifying the Accounting for Income Taxes.** As of January 1, 2021, we adopted the Accounting Standards Updates (“ASU”) guidance to simplify the accounting for income taxes. This new standard eliminated certain exceptions in current guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. It also clarified and simplified other aspects of the accounting for income taxes. The adoption of this new guidance did not have a material impact on our consolidated financial statements.

**Investments - equity securities; Investments - Equity Method and Joint Ventures; Derivatives and Hedging.** As of January 1, 2021, we adopted the new ASU guidance which clarified the interaction between the accounting for investments in equity securities, equity method investments and certain derivative instruments. The adoption of this new guidance did not have a material impact on our consolidated financial statements.

**Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.** As of January 1, 2021, we adopted the new ASU guidance which simplified the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity’s own equity. Specifically, the standard simplified accounting for convertible instruments by removing major separation models required under current GAAP, removing certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which permitted more equity contracts to qualify for it, and simplified the diluted earnings per share calculation in certain areas. The adoption of this new guidance did not have a material impact on our consolidated financial statements. The convertible senior notes issued in February 2021 are accounted for in accordance with this new guidance. See NOTE 7 — Debt and NOTE 12 — Earnings Per Share for additional information.

**Recent Accounting Policies Not Yet Adopted**

In October 2021, the Financial Accounting Standards Board issued new guidance relate to recognizing and measuring contract assets and contract liabilities from contracts with customers acquired in a business combination. The new guidance will require acquiring entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination as compared to current GAAP where an acquirer generally recognizes such items at fair value on the acquisition date. The new guidance is effective on a prospective basis for fiscal years beginning after December 15, 2022, with early adoption permitted. While we are continuing to assess the timing and the potential impacts of adoption, we do not expect it will have a material impact, if any, on our consolidated financial statements.
NOTE 3 — Fair Value Measurements

Financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2021 are classified using the fair value hierarchy in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>$47</td>
<td>$47</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>23</td>
<td>23</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Term deposits</td>
<td>153</td>
<td>—</td>
<td>153</td>
<td>—</td>
</tr>
<tr>
<td>Derivatives:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward contracts</td>
<td>3</td>
<td>—</td>
<td>3</td>
<td>—</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term deposits</td>
<td>200</td>
<td>—</td>
<td>200</td>
<td>—</td>
</tr>
<tr>
<td>Equity investments</td>
<td>909</td>
<td>94</td>
<td>—</td>
<td>815</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$1,335</td>
<td>$164</td>
<td>$356</td>
<td>$815</td>
</tr>
</tbody>
</table>

Financial assets measured at fair value on a recurring basis as of December 31, 2020 are classified using the fair value hierarchy in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash equivalents:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money market funds</td>
<td>$147</td>
<td>$147</td>
<td>—</td>
</tr>
<tr>
<td>Term deposits</td>
<td>49</td>
<td>—</td>
<td>49</td>
</tr>
<tr>
<td>U.S. treasury securities</td>
<td>150</td>
<td>150</td>
<td>—</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term deposits</td>
<td>24</td>
<td>—</td>
<td>24</td>
</tr>
<tr>
<td>Equity investments</td>
<td>123</td>
<td>123</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$493</td>
<td>$420</td>
<td>$73</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward contracts</td>
<td>14</td>
<td>—</td>
<td>14</td>
</tr>
</tbody>
</table>

We classify our cash equivalents and investments within Level 1 and Level 2 as we value our cash equivalents and investments using quoted market prices or alternative pricing sources and models utilizing market observable inputs. Valuation of the foreign currency forward contracts is based on foreign currency exchange rates in active markets, a Level 2 input.

We hold term deposit investments with financial institutions. Term deposits with original maturities of less than three months are classified as cash equivalents and those with remaining maturities of less than one year are classified within short-term investments.

As of December 31, 2021 and 2020, our cash and cash equivalents consisted primarily of term deposits, money market funds and U.S. treasury securities with maturities of three months or less and bank account balances.

Our equity investments include our marketable equity investment in Despegar, a publicly traded company, which is included in long-term investments and other assets in our consolidated balance sheets. During the years ended December 31, 2021, 2020, and 2019, we recognized a loss of approximately $29 million, a loss of approximately $6 million, and a gain of approximately $10 million, respectively, within other, net in our consolidated statements of operations related to the fair value changes of this equity investment.

We use foreign currency forward contracts to economically hedge certain merchant revenue exposures, foreign denominated liabilities related to certain of our loyalty programs and our other foreign currency-denominated operating liabilities. As of December 31, 2021, we were party to outstanding forward contracts hedging our liability exposures with a total
During 2020, we recognized intangible asset impairment charges of $175 million within our Retail segment, of which $119 million related to indefinite-lived trade names that resulted from changes in estimated future revenues of the related brands as well as $35 million related to definite-lived intangible assets and $21 million related to other long-lived assets.
The indefinite-lived intangible assets, classified as Level 3 measurements, were valued using the relief-from-royalty method, which includes unobservable inputs, including projected revenues and royalty rates, which ranged from 2% to 8% with a weighted average royalty rate of 7%. For definite-lived intangible assets, classified as Level 3 measurements, we compared the estimated future, net undiscounted cash flows, which included key inputs such as rates of growth and profitability of our business as well as incremental net working capital, to the long-lived asset’s carrying amount. During 2020, we met the criteria to recognize certain smaller businesses within our Retail segment as held-for-sale. As such, we remeasured the disposal groups at fair value, less costs to sell, which is considered a Level 3 measurement and was based on each transaction’s estimated consideration as of the date of close.

The full duration and total impact of COVID-19 remains uncertain and it is difficult to predict how the recovery will continue to unfold (in general and versus our expectations) for global economies, the travel industry or our business. Additionally, as the stock of our trivago segment is publicly traded, it is difficult to predict market dynamics and the extent or duration of any stock price declines. As a result, we may continue to record impairment charges in the future due to the potential long-term economic impact and near-term financial impacts of the COVID-19 pandemic.

Minority Investments without Readily Determinable Fair Values. As of both December 31, 2021 and 2020, the carrying values of our minority investments without readily determinable fair values totaled $330 million. During 2021, we had no material gains or losses recognized related to these minority investments. During 2020, we recorded $134 million of losses related to a minority investment, which had recent observable and orderly transactions for similar investments, using an option pricing model that utilizes judgmental inputs such as discounts for lack of marketability and estimated exit event timing. During 2019, we recorded $2 million of losses related to the minority investments. As of December 31, 2021, total cumulative adjustments made to the initial cost basis of these investments included $2 million in unrealized upward adjustments and $105 million in unrealized downward adjustments (including impairments).

NOTE 4 — Property and Equipment, Net

Our property and equipment consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td>(In millions)</td>
</tr>
<tr>
<td>Capitalized software development</td>
<td>2,892</td>
<td>3,374</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>351</td>
<td>617</td>
</tr>
<tr>
<td>Furniture and other equipment</td>
<td>106</td>
<td>128</td>
</tr>
<tr>
<td>Buildings and leasehold improvements</td>
<td>1,220</td>
<td>1,230</td>
</tr>
<tr>
<td>Land</td>
<td>146</td>
<td>146</td>
</tr>
<tr>
<td></td>
<td>4,715</td>
<td>5,495</td>
</tr>
<tr>
<td>Deduct: accumulated depreciation</td>
<td>(2,568)</td>
<td>(3,289)</td>
</tr>
<tr>
<td>Projects in progress</td>
<td>33</td>
<td>51</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>2,180</td>
<td>2,257</td>
</tr>
</tbody>
</table>

As of December 31, 2021 and 2020, our recorded capitalized software development costs, net of accumulated amortization, which have been placed in service were $895 million and $898 million. For the years ended December 31, 2021, 2020 and 2019, we recorded amortization of capitalized software development costs of $588 million, $593 million and $556 million included in depreciation and amortization expense.

As of December 31, 2021, 2020 and 2019, we had $4 million, $9 million and $34 million, respectively, included in accounts payable for the acquisition of property and equipment, which is considered a non-cash investing activity in the consolidated statements of cash flows.

NOTE 5 – Leases

We have operating leases for office space and data centers. Our leases have remaining lease terms of one year to 16 years, some of which include options to extend the leases for up to ten years, and some of which include options to terminate the leases within one year.

Operating lease costs were $119 million, $159 million and $170 million for the years ended December 31, 2021, 2020 and 2019, respectively.
Supplemental cash flow information related to leases were as follows:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for amounts included in the measurement of lease liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating cash flows for operating lease payments</td>
<td>$151</td>
<td>$139</td>
<td>$152</td>
</tr>
<tr>
<td>Right-of-use assets obtained in exchange for lease obligations:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating leases</td>
<td>30</td>
<td>117</td>
<td>183</td>
</tr>
</tbody>
</table>

Supplemental consolidated balance sheet information related to leases were as follows:

<table>
<thead>
<tr>
<th>December 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in millions)</td>
<td>(in millions)</td>
</tr>
<tr>
<td>Operating lease right-of-use assets</td>
<td>$407</td>
</tr>
<tr>
<td>Current lease liabilities, included within Accrued expenses and other current liabilities</td>
<td>$77</td>
</tr>
<tr>
<td>Long-term lease liabilities, included within Operating lease liabilities</td>
<td>360</td>
</tr>
<tr>
<td>Total operating lease liabilities</td>
<td>$437</td>
</tr>
<tr>
<td>Weighted average remaining lease term</td>
<td>8.1 years</td>
</tr>
<tr>
<td>Weighted average discount rate</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Maturities of lease liabilities are as follows:

<table>
<thead>
<tr>
<th>Year ending December 31,</th>
<th>Operating Leases (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$91</td>
</tr>
<tr>
<td>2023</td>
<td>77</td>
</tr>
<tr>
<td>2024</td>
<td>57</td>
</tr>
<tr>
<td>2025</td>
<td>49</td>
</tr>
<tr>
<td>2026</td>
<td>46</td>
</tr>
<tr>
<td>2027 and thereafter</td>
<td>184</td>
</tr>
<tr>
<td>Total lease payments</td>
<td>504</td>
</tr>
<tr>
<td>Less: imputed interest</td>
<td>(67)</td>
</tr>
<tr>
<td>Total</td>
<td>$437</td>
</tr>
</tbody>
</table>

NOTE 6 — Goodwill and Intangible Assets, Net

The following table presents our goodwill and intangible assets as of December 31, 2021 and 2020:

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>$7,171</td>
<td>$7,380</td>
</tr>
<tr>
<td>Intangible assets with indefinite lives</td>
<td>1,166</td>
<td>1,183</td>
</tr>
<tr>
<td>Intangible assets with definite lives, net</td>
<td>227</td>
<td>332</td>
</tr>
<tr>
<td>Total</td>
<td>$8,564</td>
<td>$8,895</td>
</tr>
</tbody>
</table>

Impairment Assessments. We perform our annual assessment of possible impairment of goodwill and indefinite-lived intangible assets as of October 1, or more frequently if events and circumstances indicate that an impairment may have occurred.

During 2021, we recognized a goodwill impairment charge of $14 million. During 2020, due to the severe and persistent negative effect COVID-19 had on global economies, the travel industry and our business, as well as the uncertainty and high variability in anticipated versus actual rates of recovery, in addition to our annual assessment, we deemed it necessary to
perform various interim assessments of goodwill and intangible assets. As a result of these assessments, we recognized goodwill impairment charges of $799 million, of which $559 million related to our Retail segment, primarily our Vrbo reporting unit, and $240 million related to our trivago segment. We also incurred impairment charges of $175 million related to intangible assets with both indefinite-lives and definite lives, primarily within our Retail segment.

During 2019, we had no impairments of goodwill or intangible assets with indefinite-lives.

**Goodwill.** The following table presents the changes in goodwill by reportable segment:

<table>
<thead>
<tr>
<th></th>
<th>Retail (In millions)</th>
<th>B2B</th>
<th>trivago</th>
<th>Total (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1, 2020</td>
<td>$7,049</td>
<td>$529</td>
<td>$549</td>
<td>$8,127</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>(559)</td>
<td>—</td>
<td>(240)</td>
<td>(799)</td>
</tr>
<tr>
<td>Foreign exchange translation and other</td>
<td>15</td>
<td>9</td>
<td>28</td>
<td>52</td>
</tr>
<tr>
<td>Balance as of December 31, 2020</td>
<td>6,505</td>
<td>538</td>
<td>337</td>
<td>7,380</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>—</td>
<td>—</td>
<td>(14)</td>
<td>(14)</td>
</tr>
<tr>
<td>Additions</td>
<td>—</td>
<td>—</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Deductions</td>
<td>(34)</td>
<td>(167)</td>
<td>—</td>
<td>(201)</td>
</tr>
<tr>
<td>Foreign exchange translation and other</td>
<td>(9)</td>
<td>37</td>
<td>(27)</td>
<td>1</td>
</tr>
<tr>
<td>Balance as of December 31, 2021</td>
<td>$6,462</td>
<td>$394</td>
<td>$315</td>
<td>$7,171</td>
</tr>
</tbody>
</table>

As of December 31, 2021, accumulated goodwill impairment losses in total were $3.3 billion, of which $3.0 billion was associated with our Retail segment, $240 million was associated with our trivago segment and $14 million associated with our B2B segment. As of December 31, 2020, accumulated goodwill impairment losses in total were $3.4 billion, of which $3.1 billion was associated with our Retail segment and $240 million was associated with our trivago segment.

**Indefinite-lived Intangible Assets.** Our indefinite-lived intangible assets relate principally to trade names and trademarks acquired in various acquisitions.

**Intangible Assets with Definite Lives.** The following table presents the components of our intangible assets with definite lives as of December 31, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2021 (In millions)</th>
<th>December 31, 2020 (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accumulated Amortization Net</td>
<td>Cost Accumulated Amortization Net</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>$565 (502) $63 $638 (540) $98</td>
<td>Supplier relationships</td>
</tr>
<tr>
<td>Supplier relationships</td>
<td>626 (564) $62 $661 (556) $105</td>
<td>Domain names</td>
</tr>
<tr>
<td>Domain names</td>
<td>164 (133) $31 $173 (133) $40</td>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
<td>$2,371 (2,144) $227 $2,547 (2,215) $332</td>
<td></td>
</tr>
</tbody>
</table>

Amortization expense was $99 million, $154 million and $198 million for the years ended December 31, 2021, 2020 and 2019. The estimated future amortization expense related to intangible assets with definite lives as of December 31, 2021, assuming no subsequent impairment of the underlying assets, is as follows, in millions:

<table>
<thead>
<tr>
<th>Year</th>
<th>$ (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>85</td>
</tr>
<tr>
<td>2023</td>
<td>53</td>
</tr>
<tr>
<td>2024</td>
<td>49</td>
</tr>
<tr>
<td>2025</td>
<td>33</td>
</tr>
<tr>
<td>2026</td>
<td>7</td>
</tr>
<tr>
<td>2027 and thereafter</td>
<td>— 227</td>
</tr>
</tbody>
</table>

F- 25
NOTE 7 — Debt

The following table sets forth our outstanding debt:

<table>
<thead>
<tr>
<th>Debt Description</th>
<th>December 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
</tr>
<tr>
<td>2.5% (€650 million) senior notes due 2022</td>
<td>$735</td>
<td>$798</td>
</tr>
<tr>
<td>3.6% senior notes due 2023</td>
<td>497</td>
<td>496</td>
</tr>
<tr>
<td>4.5% senior notes due 2024</td>
<td>498</td>
<td>497</td>
</tr>
<tr>
<td>6.25% senior notes due 2025</td>
<td>1,033</td>
<td>1,972</td>
</tr>
<tr>
<td>7.0% senior notes due 2025</td>
<td>—</td>
<td>740</td>
</tr>
<tr>
<td>5.0% senior notes due 2026</td>
<td>745</td>
<td>744</td>
</tr>
<tr>
<td>0% convertible senior notes due 2026</td>
<td>986</td>
<td>—</td>
</tr>
<tr>
<td>4.625% senior notes due 2027</td>
<td>744</td>
<td>743</td>
</tr>
<tr>
<td>3.8% senior notes due 2028</td>
<td>994</td>
<td>993</td>
</tr>
<tr>
<td>3.25% senior notes due 2030</td>
<td>1,235</td>
<td>1,233</td>
</tr>
<tr>
<td>2.95% senior notes due 2031</td>
<td>983</td>
<td>—</td>
</tr>
<tr>
<td>Long-term debt(1)</td>
<td>8,450</td>
<td>8,216</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>(735)</td>
<td>—</td>
</tr>
<tr>
<td>Long-term debt, excluding current maturities</td>
<td>$7,715</td>
<td>$8,216</td>
</tr>
</tbody>
</table>

(1) Net of applicable discounts and debt issuance costs.

Outstanding Debt

During 2021, we took a number of actions to reduce our cost of capital, including extinguishing higher cost debt issued in the prior year as well as issuing new debt with more favorable terms.

Extinction of Debt. During 2021, we used the net proceeds from the February and March 2021 private placements discussed below, to (i) finance a redemption of all of our outstanding 7.0% senior notes due 2025 (the “7.0% Notes”), (ii) finance a tender offer for a portion of our issued and outstanding 6.25% senior notes due 2025 (the “6.25% Notes”) and (iii) to pay fees and expenses related to the foregoing. On March 3, 2021, we completed the redemption of all of our outstanding 7.0% Notes as well as settled the tender offer to purchase $956 million in aggregate principal of our 6.25% Notes, which resulted in the recognition of a loss on debt extinguishment of $280 million during the year ended December 31, 2021. This loss primarily reflected the payment of early payment premiums and fees associated with the tender offer as well as the write-off of unamortized debt issuance costs. The cash payments related to the debt extinguishment were classified as cash outflows from financing activities on the consolidated statement of cash flows and were $258 million during the year ended December 31, 2021, which reflected the $280 million loss on debt extinguishment adjusted for the non-cash write-off of debt issuance costs of approximately $23 million. In addition, we paid accrued and unpaid interest on the 7.0% and tendered portion of the 6.25% Notes up to the date of settlement.

February 2021 Convertible Senior Notes Private Placement. On February 19, 2021, we completed our private placement of $1 billion aggregate principal amount of unsecured 0% convertible senior notes due 2026 (the “Convertible Notes”). The net proceeds from the issuance of the Convertible Notes was approximately $983 million after deducting debt issuance costs.

The Convertible Notes are unsecured, unsubordinated obligations and rank equally in right of payment with each other and with all of our existing and future unsecured and unsubordinated obligations, including our existing senior notes. The Convertible Notes are fully and unconditionally guaranteed by the subsidiary guarantors, which include each domestic subsidiary that is a borrower under or guarantees the obligations under our existing senior secured credit agreement. So long as the guarantees are in effect, each subsidiary guarantor’s guarantee will be the unsecured, unsubordinated obligation of such subsidiary guarantor and will rank equally in right of payment with each other and with all of such subsidiary guarantor’s existing and future unsecured and unsubordinated obligations, including such subsidiary guarantor’s guarantees of our existing senior notes.

The Convertible Notes will mature on February 15, 2026, unless earlier converted, redeemed or repurchased. The Convertible Notes will not bear regular interest, and the principal amount of the Convertible Notes will not accrete.

The Convertible Notes have an initial conversion rate of 3.9212 shares of common stock of Expedia Group with a par value $0.0001 per share (referred to as “our common stock” herein), per $1,000 principal amount of Convertible Notes, which
is equal to an initial conversion price of approximately $255.02 per share of our common stock. The conversion rate is subject to adjustment from time to time upon the occurrence of certain events, including, but not limited to, the issuance of stock dividends and payment of cash dividends. At any time prior to the close of business on the business day immediately preceding November 15, 2025, holders may convert their Convertible Notes at their option only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on March 31, 2021 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is equal to or greater than 130% of the conversion price then in effect on each applicable trading day;

- during the five business day period immediately after any five consecutive trading day period (the “measurement period”) in which the trading price per $1,000 principal amount of Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day;

- if the Company calls any or all of the Convertible Notes for redemption, at any time prior to the close of business on the business day immediately prior to the redemption date, but only with respect to the Convertible Notes called for redemption (or deemed called for redemption); or

- upon the occurrence of specified corporate events.

Irrespective of the foregoing conditions, holders may convert their Convertible Notes on or after November 15, 2025 and prior to the close of business on the second scheduled trading day immediately preceding the maturity date. Additionally, upon the occurrence of a corporate event that constitutes a “make-whole fundamental change” per the indenture, or if we call the Convertible Notes for redemption, and a holder elects to convert its Convertible Notes in connection with such make-whole fundamental change or during the related redemption period, as the case may be, such holder may be entitled to an increase in the conversion rate in certain circumstances as described in the indenture. Upon conversion, holders will receive cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

We may not redeem the Convertible Notes prior to February 20, 2024. On or after February 20, 2024 and prior to the 41st scheduled trading day immediately preceding the maturity date, if the last reported sale price per share of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption, we may redeem for cash all or part of the Convertible Notes at a redemption price equal to 100% of the principal amount of the Convertible Notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the redemption date, but only with respect to the Convertible Notes called for redemption (or deemed called for redemption); or

Irrespective of the foregoing conditions, holders may convert their Convertible Notes on or after November 15, 2025 and prior to the close of business on the second scheduled trading day immediately preceding the maturity date. Additionally, upon the occurrence of a corporate event that constitutes a “make-whole fundamental change” per the indenture, or if we call the Convertible Notes for redemption, and a holder elects to convert its Convertible Notes in connection with such make-whole fundamental change or during the related redemption period, as the case may be, such holder may be entitled to an increase in the conversion rate in certain circumstances as described in the indenture. Upon conversion, holders will receive cash, shares of our common stock or a combination of cash and shares of our common stock, at our election.

The net carrying amount of the Convertible Notes as of December 31, 2021 was $986 million, which reflects the $1 billion in principal less unamortized debt issuance costs of $14 million. Interest expense related to the amortization of the debt issuance costs for the Convertible Notes was $3 million during the year ended December 31, 2021.

**March 2021 Senior Note Issuance.** On March 3, 2021, we privately placed $1 billion of senior unsecured notes that are due in March 2031 that bear interest at 2.95%. In May 2021, we completed an offer to exchange these notes for registered notes having substantially the same financial terms and covenants as the original notes (the unregistered and registered notes collectively, the “2.95% Notes”). The 2.95% Notes were issued at a price of 99.081% of the aggregate principal amount. Interest is payable semi-annually in arrears in June of each year. We may redeem the 2.95% Notes at our option, at whole or in part, at any time or from time to time. If we elect to redeem the 2.95% Notes prior to March 3, 2022, we may redeem them at a specified “make-whole” premium. If we elect to redeem the 2.95% Notes on or after March 3, 2022, we may redeem them at a redemption price of 100% of the principal plus accrued and unpaid interest. Subject to certain limited exceptions, all payments of interest and principal for the 2.95% Notes will be made in Euros.

**Previous Senior Note Issuances.** In prior years, we issued the following senior notes, which are still outstanding as of December 31, 2021:

- Euro 650 million of registered senior unsecured notes that are due in June 2022 that bear interest at 2.5% (the “2.5% Notes”). The 2.5% Notes were issued at 99.525% of par resulting in a discount, which is being amortized over their life. Interest is payable annually in arrears in June of each year. We may redeem the 2.5% Notes at our option, at whole or in part, at any time or from time to time. If we elect to redeem the 2.5% Notes prior to March 3, 2022, we may redeem them at a specified “make-whole” premium. If we elect to redeem the 2.5% Notes on or after March 3, 2022, we may redeem them at a redemption price of 100% of the principal plus accrued and unpaid interest. Subject to certain limited exceptions, all payments of interest and principal for the 2.5% Notes will be made in Euros.
$500 million of privately placed senior unsecured notes that are due in December 2023 that bear interest at 3.6%. In May 2021, we completed an offer to exchange these notes for registered notes having substantially the same financial terms and covenants as the original notes (the unregistered and registered notes collectively, the “3.6% Notes”). The 3.6% Notes were issued at a price of 99.922% of the aggregate principal amount. Interest is payable semi-annually in arrears in June and December of each year. We may redeem some or all of the 3.6% Notes at any time prior to November 15, 2023 by paying a “make-whole” premium plus accrued and unpaid interest, if any. We may redeem some or all of the 3.6% Notes on or after November 15, 2023 at par plus accrued and unpaid interest, if any.

$500 million of registered senior unsecured notes that are due in August 2024 that bear interest at 4.5% (the “4.5% Notes”). The 4.5% Notes were issued at 99.444% of par resulting in a discount, which is being amortized over their life. Interest is payable semi-annually in February and August of each year. We may redeem the 4.5% Notes at our option at any time in whole or from time to time in part. If we elect to redeem the 4.5% Notes prior to May 15, 2024, we may redeem them at a redemption price of 100% of the principal plus accrued interest, plus a “make-whole” premium. If we elect to redeem the 4.5% Notes on or after May 15, 2024, we may redeem them at a redemption price of 100% of the principal plus accrued interest.

Approximately $1 billion of senior unsecured notes that are due in May 2025 that bear interest at 6.25% (the “6.25% Notes”), which reflects the March 2021 tender offer to purchase $956 million in aggregate principal discussed above. The 6.25% Notes were issued at a price of 100% of the aggregate principal amount. Interest is payable semi-annually in arrears in May and November of each year. We may redeem some or all of the 6.25% Notes at any time prior to February 1, 2025 by paying a “make-whole” premium plus accrued and unpaid interest, if any. We may redeem some or all of the 6.25% Notes on or after February 1, 2025 at par plus accrued and unpaid interest, if any.

$750 million of registered senior unsecured notes that are due in February 2026 that bear interest at 5.0% (the “5.0% Notes”). The 5.0% Notes were issued at 99.535% of par resulting in a discount, which is being amortized over their life. Interest is payable semi-annually in arrears in February and August of each year. We may redeem the 5.0% Notes at our option at any time in whole or from time to time in part. If we elect to redeem the 5.0% Notes prior to November 12, 2025, we may redeem them at a redemption price of 100% of the principal plus accrued interest, plus a “make-whole” premium. If we elect to redeem the 5.0% Notes on or after November 12, 2025, we may redeem them at a redemption price of 100% of the principal plus accrued interest.

$750 million of senior unsecured notes that are due in August 2027 that bear interest at 4.625%. In May 2021, we completed an offer to exchange these notes for registered notes having substantially the same financial terms and covenants as the original notes (the unregistered and registered notes collectively, the “4.625% Notes”). The 4.625% Notes were issued at a price of 99.997% of the aggregate principal amount. Interest is payable semi-annually in February and August of each year. We may redeem some or all of the 4.625% Notes at any time prior to May 1, 2027 by paying a “make-whole” premium plus accrued and unpaid interest, if any. We may redeem some or all of the 4.625% Notes on or after May 1, 2027 at par plus accrued and unpaid interest, if any.

$1 billion of registered senior unsecured notes that are due in February 2028 that bear interest at 3.8% (the “3.8% Notes”). The 3.8% Notes were issued at 99.747% of par resulting in a discount, which is being amortized over their life. Interest is payable semi-annually in February and August of each year. We may redeem the 3.8% Notes at our option at any time in whole or from time to time in part. If we elect to redeem the 3.8% Notes prior to May 15, 2024, we may redeem them at a redemption price of 100% of the principal plus accrued interest, plus a “make-whole” premium. If we elect to redeem the 3.8% Notes on or after May 15, 2024, we may redeem them at a redemption price of 100% of the principal plus accrued interest.

$1.25 billion of registered senior unsecured notes that are due in February 2030 and bear interest at 3.25% (the “3.25% Notes”). The 3.25% Notes were issued at 100% of par resulting in a discount, which is being amortized over their life. Interest is payable semi-annually in February and August of each year. We may redeem the 3.25% Notes at our option at any time in whole or from time to time in part. If we elect to redeem the 3.25% Notes prior to November 15, 2029, we may redeem them at a redemption price of 100% of the principal plus accrued interest, plus a “make-whole” premium. If we elect to redeem the 3.25% Notes on or after November 15, 2029, we may redeem them at a redemption price of 100% of the principal plus accrued interest.

All of our outstanding senior notes (collectively the “Senior Notes”) are senior unsecured obligations issued by Expedia Group and guaranteed by certain domestic Expedia Group subsidiaries. The Senior Notes rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations of Expedia Group and the guarantor subsidiaries. In addition, the Senior Notes include covenants that limit our ability to (i) create certain liens, (ii) enter into sale/leaseback transactions and (iii) merge or consolidate with or into another entity or transfer substantially all of our assets. The Senior Notes are redeemable in whole or in part, at the option of the holders thereof, upon the occurrence of certain change of control.
triggering events at a purchase price in cash equal to 101% of the principal plus accrued and unpaid interest. Accrued interest related to the Senior Notes was $98 million and $110 million as of December 31, 2021 and 2020.

Estimated Fair Value. The total estimated fair value of our Senior Notes was approximately $8.0 billion and $9.1 billion as of December 31, 2021 and 2020. Additionally, the estimated fair value of the Convertible Notes was $1.2 billion as of December 31, 2021. The fair value was determined based on quoted market prices in less active markets and is categorized according as Level 2 in the fair value hierarchy.

Credit Facilities

Revolving Credit Facility. As of December 31, 2021, Expedia Group maintained a $1.145 billion revolving credit facility with a group of lenders that expires on May 31, 2023 (the “Revolving Credit Facility”). Obligations under the Revolving Credit Facility are secured by substantially all of the assets of the Company and its subsidiaries that guarantee the facility (subject to certain exceptions, including for our headquarters located in Seattle, WA) up to the maximum amount permitted under the indentures governing the Senior Notes without securing such Senior Notes. Loans under the Revolving Credit Facility bear interest at a per annum rate equal to an index rate plus a margin depending on the Company's credit ratings (A) in the case of eurocurrency loans ranging from 1.00% to 1.75%, and (B) in the case of base rate loans, at rates ranging from 0.00% to 0.75%. The Revolving Credit Facility contains certain financial covenants, including a leverage ratio test.

As of December 31, 2021 and 2020, we had no Revolving Credit Facility borrowings outstanding. The amount of stand-by letters of credit (“LOC”) issued under the Revolving Credit Facility reduced the credit amount available. As of December 31, 2021 and 2020, there was $14 million and $13 million of outstanding stand-by LOCs issued under the facility.

Foreign Credit Facility. As of December 31, 2021, the Company and Expedia Group International Holdings III, LLC (the “Borrower”) also maintained an $855 million credit facility with a group of lenders that expires on May 31, 2023 (the “Foreign Credit Facility”). Obligations under the Foreign Credit Facility are unsecured. Such obligations are guaranteed by the Company, its subsidiaries that guarantee obligations under the Revolving Credit Facility, as mentioned above, and certain of the Company’s additional subsidiaries. Loans under the Foreign Credit Facility bear interest at a per annum rate equal to an index rate plus a margin depending on the Company’s credit ratings (A) in the case of eurocurrency loans, ranging from 1.25% to 2.00%, and (B) in the case of base rate loans, ranging from 0.25% to per 1.00%. The covenants, events of default and other terms and conditions in the Foreign Credit Facility are substantially similar to those in the Revolving Credit Facility, but include additional limitations on the Borrower and certain other entities that are not obligors under the Revolving Credit Facility.

As of December 31, 2021 and 2020, we had no Foreign Credit Facility borrowings outstanding.

NOTE 8 — Employee Benefit Plans

Our U.S. employees are generally eligible to participate in a retirement and savings plan that qualifies under Section 401(k) of the Internal Revenue Code. Participating employees may contribute up to 50% of their pretax salary, but not more than statutory limits. We contribute fifty cents for each dollar a participant contributes in this plan, with a maximum contribution of 3% of a participant’s earnings. Our contribution vests with the employee after the employee completes two years of service. Participating employees have the option to invest in our common stock, but there is no requirement for participating employees to invest their contribution or our matching contribution in our common stock. We also have various defined contribution plans for our international employees. Our contributions to these benefit plans were $68 million, $63 million and $81 million for the years ended December 31, 2021, 2020 and 2019.

NOTE 9 — Stock-Based Awards and Other Equity Instruments

Pursuant to the Amended and Restated Expedia Group, Inc. 2005 Stock and Annual Incentive Plan, we may grant restricted stock, restricted stock awards, RSUs, stock options and other stock-based awards, such as PSUs, to directors, officers, employees and consultants. As of December 31, 2021, we had approximately 9 million shares of common stock reserved for new stock-based awards under the 2005 Stock and Annual Incentive Plan. We issue new shares to satisfy the exercise or release of stock-based awards.
The following table presents a summary of RSU activity:

<table>
<thead>
<tr>
<th></th>
<th>RSUs</th>
<th>Weighted Average Grant-Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In thousands)</td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2020</td>
<td>5,037</td>
<td>102.69</td>
</tr>
<tr>
<td>Granted</td>
<td>5,232</td>
<td>163.60</td>
</tr>
<tr>
<td>Vested</td>
<td>(3,209)</td>
<td>124.86</td>
</tr>
<tr>
<td>Cancelled</td>
<td>(1,238)</td>
<td>125.65</td>
</tr>
<tr>
<td>Balance as of December 31, 2021</td>
<td>5,822</td>
<td>140.33</td>
</tr>
</tbody>
</table>

The total market value of shares vested during the years ended December 31, 2021, 2020 and 2019 was $503 million, $172 million and $117 million.

The following table presents a summary of PSU activity:

<table>
<thead>
<tr>
<th></th>
<th>PSUs</th>
<th>Weighted Average Grant-Date Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In thousands)</td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2020</td>
<td>248</td>
<td>86.33</td>
</tr>
<tr>
<td>Granted</td>
<td>216</td>
<td>192.50</td>
</tr>
<tr>
<td>Vested</td>
<td>(4)</td>
<td>87.90</td>
</tr>
<tr>
<td>Cancelled</td>
<td>(80)</td>
<td>150.19</td>
</tr>
<tr>
<td>Balance as of December 31, 2021</td>
<td>380</td>
<td>133.42</td>
</tr>
</tbody>
</table>

The following table summarizes the estimated vesting, as of December 31, 2021, of PSUs granted in 2021 and 2020, net of forfeiture and vesting since the respective grant dates:

<table>
<thead>
<tr>
<th>Performance Share Units, by grant year</th>
<th>2021 (In thousands)</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares probable to be issued</td>
<td>66</td>
<td>314</td>
</tr>
<tr>
<td>Shares not subject to the achievement of minimum performance thresholds</td>
<td>—</td>
<td>92</td>
</tr>
<tr>
<td>Shares that could be issued if maximum performance thresholds are met</td>
<td>341</td>
<td>314</td>
</tr>
</tbody>
</table>

The following table presents a summary of our stock option activity:

<table>
<thead>
<tr>
<th>Options</th>
<th>Weighted Average Exercise Price</th>
<th>Remaining Contractual Life</th>
<th>Aggregate Intrinsic Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In thousands)</td>
<td>(In years)</td>
<td>(In millions)</td>
</tr>
<tr>
<td>Balance as of December 31, 2020</td>
<td>8,696</td>
<td>105.75</td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>2,275</td>
<td>157.18</td>
<td></td>
</tr>
<tr>
<td>Exercised</td>
<td>(4,968)</td>
<td>103.11</td>
<td></td>
</tr>
<tr>
<td>Cancelled</td>
<td>(812)</td>
<td>116.29</td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2021</td>
<td>5,191</td>
<td>129.17</td>
<td>4.0</td>
</tr>
<tr>
<td>Exercisable as of December 31, 2021</td>
<td>2,146</td>
<td>108.10</td>
<td>2.0</td>
</tr>
<tr>
<td>Vested and expected to vest after December 31, 2021</td>
<td>5,191</td>
<td>129.17</td>
<td>4.0</td>
</tr>
</tbody>
</table>

The aggregate intrinsic value of outstanding options shown in the stock option activity table above represents the total pretax intrinsic value at December 31, 2021, based on our closing stock price of $180.72 as of the last trading date in 2021. The total intrinsic value of stock options exercised was $302 million, $74 million and $145 million for the years ended December 31, 2021, 2020 and 2019.

The fair value of stock options granted during the year ended December 31, 2021 were estimated at the date of grant using the Black-Scholes option-pricing model, assuming the following weighted average assumptions:
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Risk-free interest rate 0.82 %
Expected volatility 42.64 %
Expected life (in years) 5.13
Dividend yield — %
Weighted-average estimated fair value of options granted during the year $ 60.39

There were no options granted during 2020 and options granted in 2019 were immaterial.

In 2021, 2020 and 2019, we recognized total stock-based compensation expense of $418 million, $205 million and $241 million. The total income tax benefit related to stock-based compensation expense was $157 million, $44 million and $55 million for 2021, 2020 and 2019. We capitalized $68 million, $36 million and $30 million of stock-based compensation expense associated with the cost of developing internal-use software in 2021, 2020 and 2019.

Cash received from stock-based award exercises for the years ended December 31, 2021 and 2020 was $476 million and $301 million. Total current income tax benefits during the years ended December 31, 2021 and 2020 associated with the exercise of stock-based awards held by our employees were $28 million and $1 million.

As of December 31, 2021, there was approximately $881 million of unrecognized stock-based compensation expense related to unvested stock-based awards, which is expected to be recognized in expense over a weighted-average period of 2.92 years.

Employee Stock Purchase Plan

We have an Employee Stock Purchase Plan (“ESPP”), which allows shares of our common stock to be purchased by eligible employees at three-month intervals at 85% of the fair market value of the stock on the last day of each three-month period. Eligible employees were allowed to contribute up to 15% of their base compensation. During 2021, 2020 and 2019, approximately 194,000, 212,000, and 171,000 shares were purchased under this plan for an average price of $135.38, $84.89 and $99.41 per share. During 2021, our Board of Directors approved an increase in the number of shares reserved for issuance under the ESPP of 1 million shares. As of December 31, 2021, we have reserved approximately 1.2 million shares of our common stock for issuance under the ESPP.

NOTE 10 — Income Taxes

The following table summarizes our U.S. and foreign income (loss) before income taxes:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>(274)</td>
<td>(2,354)</td>
<td>172</td>
</tr>
<tr>
<td>Foreign</td>
<td>236</td>
<td>(797)</td>
<td>603</td>
</tr>
<tr>
<td>Total</td>
<td>(38)</td>
<td>(3,151)</td>
<td>775</td>
</tr>
</tbody>
</table>

F-31
**Provision for Income Taxes**

The following table summarizes our provision for income taxes:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td></td>
<td>(In millions)</td>
</tr>
<tr>
<td><strong>Current income tax (benefit) expense:</strong></td>
<td></td>
</tr>
<tr>
<td>U.S. federal</td>
<td>$17</td>
</tr>
<tr>
<td>State</td>
<td>7</td>
</tr>
<tr>
<td>Foreign</td>
<td>68</td>
</tr>
<tr>
<td><strong>Current income tax expense</strong></td>
<td>92</td>
</tr>
<tr>
<td><strong>Deferred income tax (benefit) expense:</strong></td>
<td></td>
</tr>
<tr>
<td>U.S. federal</td>
<td>(137)</td>
</tr>
<tr>
<td>State</td>
<td>(19)</td>
</tr>
<tr>
<td>Foreign</td>
<td>11</td>
</tr>
<tr>
<td><strong>Deferred income tax (benefit) expense</strong></td>
<td>(145)</td>
</tr>
<tr>
<td><strong>Income tax (benefit) expense</strong></td>
<td>$(53)</td>
</tr>
</tbody>
</table>

We reduced our current income tax payable by $28 million, $1 million and $60 million for the years ended December 31, 2021, 2020 and 2019 for tax deductions attributable to stock-based compensation.

**Deferred Income Taxes**

As of December 31, 2021 and 2020, the significant components of our deferred tax assets and deferred tax liabilities were as follows:

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td></td>
<td>(In millions)</td>
</tr>
<tr>
<td><strong>Deferred tax assets:</strong></td>
<td></td>
</tr>
<tr>
<td>Provision for accrued expenses</td>
<td>$</td>
</tr>
<tr>
<td>Deferred loyalty rewards</td>
<td>186</td>
</tr>
<tr>
<td>Net operating loss and tax credit carryforwards</td>
<td>939</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>25</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>19</td>
</tr>
<tr>
<td>Operating lease liabilities</td>
<td>96</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>106</td>
</tr>
<tr>
<td>Other</td>
<td>62</td>
</tr>
<tr>
<td><strong>Total deferred tax assets</strong></td>
<td>1,518</td>
</tr>
<tr>
<td>Less valuation allowance</td>
<td>(171)</td>
</tr>
<tr>
<td><strong>Net deferred tax assets</strong></td>
<td>$1,347</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Goodwill and intangible assets</td>
<td>(418)</td>
</tr>
<tr>
<td>Anticipatory foreign tax credits</td>
<td>(113)</td>
</tr>
<tr>
<td>Operating lease ROU assets</td>
<td>(93)</td>
</tr>
<tr>
<td>Other</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>Total deferred tax liabilities</strong></td>
<td>$(639)</td>
</tr>
<tr>
<td><strong>Net deferred tax assets</strong></td>
<td>$708</td>
</tr>
</tbody>
</table>

As of December 31, 2021, we had U.S. federal, state, and foreign net operating loss carryforwards ("NOLs") of approximately $1.9 billion, $892 million and $1.1 billion. U.S. federal NOLs of $1.9 billion may be carried forward indefinitely. State NOLs of $164 million may be carried forward indefinitely, and state NOLs of $728 million expire at various times starting from 2022. Foreign NOLs of $191 million may be carried forward indefinitely, and foreign NOLs of $919 million expire at various times starting from 2022.
As of December 31, 2021, we have a valuation allowance of approximately $171 million related to certain tax attribute carryforwards for which it is more likely than not the tax benefits will not be realized. The valuation allowance decreased by $45 million from the amount recorded as of December 31, 2020 primarily due to the utilization of capital loss carryforwards, as well as foreign operating losses. The amount of the deferred tax asset considered realizable, however, may be adjusted if estimates of future taxable income increase, taxable income of the appropriate character is forecasted, capital gains are realized or if objective negative evidence in the form of cumulative GAAP losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

Due to the one-time transition tax on the deemed repatriation of post-1986 undistributed foreign subsidiary earnings and profits in 2017, the majority of previously unremitted earnings have been subjected to U.S. federal income tax. To the extent the repatriation resulted in differences between the GAAP and tax carrying values of Expedia Group’s investment in foreign subsidiaries whose offshore earnings are not indefinitely reinvested, or to the extent future distributions from these subsidiaries will be taxable, a deferred tax liability has been accrued. The amount of undistributed earnings in foreign subsidiaries where the foreign subsidiary has or will invest undistributed earnings indefinitely outside of the United States, and for which future distributions could be taxable, was $69 million as of December 31, 2021. The unrecognized deferred tax liability related to the U.S. federal income tax consequences of these earnings was $18 million as of December 31, 2021.

Reconciliation of U.S. Federal Statutory Income Tax Rate to Effective Income Tax Rate

A reconciliation of amounts computed by applying the U.S. federal statutory income tax rate to income before income taxes to total income tax expense is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax (benefit) expense at the U.S. federal statutory rate of 21%</td>
<td>$(8)</td>
<td>$(662)</td>
<td>$163</td>
</tr>
<tr>
<td>Foreign tax rate differential</td>
<td>3</td>
<td>16</td>
<td>40</td>
</tr>
<tr>
<td>U.S. federal research and development credit</td>
<td>(27)</td>
<td>(24)</td>
<td>(25)</td>
</tr>
<tr>
<td>Excess tax benefits related to stock-based compensation</td>
<td>(52)</td>
<td>6</td>
<td>(12)</td>
</tr>
<tr>
<td>Nondeductible compensation</td>
<td>42</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Unrecognized tax benefits and related interest</td>
<td>6</td>
<td>36</td>
<td>17</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>(24)</td>
<td>139</td>
<td>(2)</td>
</tr>
<tr>
<td>Return to provision true-ups</td>
<td>4</td>
<td>(20)</td>
<td>(12)</td>
</tr>
<tr>
<td>State taxes</td>
<td>(9)</td>
<td>(48)</td>
<td>22</td>
</tr>
<tr>
<td>Non-deductible goodwill impairment</td>
<td>—</td>
<td>170</td>
<td>—</td>
</tr>
<tr>
<td>Divestitures and entity restructuring</td>
<td>(6)</td>
<td>(53)</td>
<td>—</td>
</tr>
<tr>
<td>Foreign-derived intangible income</td>
<td>—</td>
<td>—</td>
<td>(14)</td>
</tr>
<tr>
<td>Other, net</td>
<td>18</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Income tax (benefit) expense</td>
<td>$(53)</td>
<td>$(423)</td>
<td>$203</td>
</tr>
</tbody>
</table>

Our effective tax rate for 2021 was higher than the 21% U.S. federal statutory income tax rate due to excess tax benefits related to stock-based compensation, release of valuation allowance and research and experimentation credits, partially offset by nondeductible compensation, measured against a pre-tax loss. Our effective tax rate for 2020 was lower than the 21% U.S. federal statutory income tax rate due to valuation allowances and nondeductible impairments measured against a pre-tax loss. Our effective tax rate for 2019 was higher than the 21% U.S. federal statutory income tax rate due to state income taxes, foreign income taxed at higher than the U.S. federal statutory tax rate, as well as losses in foreign jurisdictions for which we did not record a tax benefit.
Unrecognized Tax Benefits and Interest

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits and interest is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$345</td>
<td>$305</td>
<td>$293</td>
</tr>
<tr>
<td>Increases to tax positions related to the current year</td>
<td>11</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>Increases to tax positions related to prior years</td>
<td>3</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Decreases to tax positions related to prior years</td>
<td>(11)</td>
<td>(2)</td>
<td>—</td>
</tr>
<tr>
<td>Reductions due to lapsed statute of limitations</td>
<td>—</td>
<td>(4)</td>
<td>(2)</td>
</tr>
<tr>
<td>Settlements during current year</td>
<td>6</td>
<td>—</td>
<td>(11)</td>
</tr>
<tr>
<td>Interest and penalties</td>
<td>7</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$349</td>
<td>$345</td>
<td>$305</td>
</tr>
</tbody>
</table>

As of December 31, 2021, we had $349 million of gross unrecognized tax benefits, $213 million of which, if recognized, would affect the effective tax rate. As of December 31, 2020, we had $345 million of gross unrecognized tax benefits, $219 million of which, if recognized, would affect the effective tax rate. As of December 31, 2019, we had $305 million of gross unrecognized tax benefits, $188 million of which, if recognized, would affect the effective tax rate.

As of December 31, 2021 and 2020, total gross interest and penalties accrued was $56 million and $49 million, respectively. We recognized interest expense of $7 million in 2021, $12 million in 2020 and $8 million in 2019 in connection with our unrecognized tax benefits.

The Company is routinely audited by U.S. federal, state, local and foreign income tax authorities. These audits include questioning the timing and amount of income and deductions, and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service (“IRS”) is currently examining Expedia Group’s consolidated U.S. federal income tax returns for the periods ended December 31, 2011 through December 31, 2016. The Company has consented to an extension of the statute of limitations, until March 31, 2023 related to the 2011 through 2016 tax years, and until June 30, 2022 related to the 2017 tax year. As of December 31, 2021, for the Expedia Group, Inc. and Subsidiaries group, statute of limitations for tax years 2011 through 2020 remain open to examination in the U.S. federal jurisdiction and most state jurisdictions. For the HomeAway and Orbitz groups, the tax years 2001 through 2015 remain subject to examination in the U.S. federal and most state jurisdictions due to NOL carryforwards.

During the fourth quarter of 2019, the Internal Revenue Service (“IRS”) issued final adjustments related to transfer pricing with our foreign subsidiaries for our 2011 to 2013 tax years. The proposed adjustments would increase our U.S. taxable income by $696 million, which would result in U.S. federal tax of approximately $244 million, subject to interest. We do not agree with the position of the IRS. We filed a protest with the IRS for our 2011 to 2013 tax years and Appeals returned the case to Exam for further review. We are also under examination by the IRS for our 2014 to 2016 tax years. Subsequent years remain open to examination by the IRS. We do not anticipate a significant impact to our gross unrecognized tax benefits within the next 12 months related to these years.

NOTE 11 — Capital Stock

Common Stock and Class B Common Stock

Our authorized common stock consists of 1.6 billion shares of common stock with par value of $0.0001 per share, and 400 million shares of Class B common stock with par value of $0.0001 per share. Both classes of common stock qualify for and share equally in dividends, if declared by our Board of Directors, and generally vote together on all matters. Common stock is entitled to 1 vote per share and Class B common stock is entitled to 10 votes per share. Holders of common stock, voting as a single, separate class are entitled to elect 25% of the total number of directors. Class B common stockholders may, at any time, convert their shares into common stock, on a one for one share basis. Upon conversion, the Class B common stock is retired and is not available for reissue. In the event of liquidation, dissolution, distribution of assets or winding-up of Expedia Group, Inc., the holders of both classes of common stock have equal rights to receive all the assets of Expedia Group, Inc. after the rights of the holders of the preferred stock, if any, have been satisfied.

Preferred Stock and Warrants

On May 5, 2020, we issued and sold to (1) AP Fort Holdings, L.P., an affiliate of Apollo Global Management, Inc. (the “Apollo Purchaser”), 600,000 shares of the Company’s newly created Series A Preferred Stock, par value $0.001 per share (the “Series A Preferred Stock”) and Warrants (the “Warrants”) to purchase 4.2 million shares of our common stock for an
aggregate purchase price of $588 million and (2) SLP V Fort Holdings II, L.P., affiliates of Silver Lake Group, L.L.C. (the “Silver Lake Purchasers”), 600,000 shares of Series A Preferred Stock and Warrants to purchase 4.2 million shares of common stock, for an aggregate purchase price of $588 million.

Certificate of Designations for Series A Preferred Stock. Dividends on each share of Series A Preferred Stock accrued daily on the Preference Amount (as defined below) and were payable semi-annually in arrears. As used herein, “Dividend Rate” with respect to the Series A Preferred Stock meant from the closing until the day immediately preceding the fifth anniversary of the closing, 9.5% per annum. The Dividend Rate was also subject to certain adjustments if the Company incurred indebtedness causing its leverage to exceed certain thresholds. Dividends were payable until the third anniversary of the closing, either in cash or through an accrual of unpaid dividends (“Dividend Accrual”), at the Company’s option.

At any time after the first anniversary of the closing but on or prior to the second anniversary of the closing, we could redeem all or any portion of the Series A Preferred Stock in cash at a price equal to 103% of the sum of the original liquidation preference of $1,000 per share of Series A Preferred Stock plus any Dividend Accruals (the “Preference Amount”), plus accrued and unpaid distributions as of the redemption date.

The Series A Preferred Stock was classified within temporary equity on our consolidated balance sheets due to provisions that could cause the equity to be redeemable at the option of the holder. As of December 31, 2020, the carrying value of the Series A Preferred Stock was $1,022 million, net of $68 million in initial discount and issuance costs as well as $110 million allocated on a relative fair value basis to the concurrently issued Warrants recorded to additional paid-in capital (as described below). On May 20, 2021, we redeemed 50% of the outstanding Series A Preferred Stock at a price equal to 103% of the Preference Amount, plus accrued and unpaid distributions as to the redemption date using cash on-hand of $640 million, including an $18 million redemption premium and $22 million of accrued dividends. On October 15, 2021, we redeemed the remaining 50% of the outstanding Series A Preferred Stock at a price equal to 103% of the Preference Amount, plus accrued and unpaid distributions as to the redemption date using cash on-hand of $635 million, including an $18 million redemption premium and $17 million of accrued dividends. The combined loss on redemption of Preferred Stock was $214 million during the year ended December 31, 2021, which included a charge to additional paid-in capital for the redemption premium as well as $178 million related to the original issuance discount, issuance costs and the Warrants value.

Subsequent to the second redemption and as of December 31, 2021, there was no remaining Series A Preferred Stock outstanding. The Series A Preferred Stock accumulated and we paid $67 million (or $74.96 per share of Series A Preferred Stock) in total dividends during the year ended December 31, 2021, including those mentioned above.

Warrants to Purchase Company Common Stock. Pursuant to the investment agreements in 2020, we issued to each of (1) the Silver Lake Purchasers (in the aggregate) and (2) the Apollo Purchaser, Warrants to purchase 4.2 million shares of our common stock at an exercise price of $72.00 per share, subject to certain customary anti-dilution adjustments provided under the Warrants, including for stock splits, reclassifications, combinations and dividends or distributions made by the Company on our common stock. The Warrants were exercisable on a net share settlement basis and were to expire ten years after the closing date. In May 2021, the Apollo Purchaser exercised all of the Warrants it held and received approximately 2.5 million shares of our common stock in respect thereof. In November 2021, the Silver Lake Purchasers exercised all of the Warrants they held and received approximately 2.6 million shares of our common stock in respect thereof. As of December 31, 2021, no warrants remain outstanding.

Treasury Stock

As of December 31, 2021, the Company’s treasury stock was comprised of approximately 124.5 million common stock and 7.3 million Class B shares. As of December 31, 2020, the Company’s treasury stock was comprised of approximately 123.5 million common stock and 7.3 million Class B shares.

Share Repurchases. During 2019, 2012, 2010, and 2006, our Board of Directors, or the Executive Committee, acting on behalf of the Board of Directors, authorized a repurchase of up to 20 million outstanding shares of our common stock in each of the respective years, during 2015 authorized a repurchase of up to 10 million shares of our common stock and during 2018 authorized a repurchase of up to 15 million shares of our common stock for a total of 105 million shares. Shares repurchased under the authorized programs were as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares repurchased</td>
<td>3.4 million</td>
<td>5.6 million</td>
</tr>
<tr>
<td>Average price per share</td>
<td>$109.88</td>
<td>$122.72</td>
</tr>
<tr>
<td>Total cost of repurchases (in millions)</td>
<td>$370,683</td>
<td>$683</td>
</tr>
</tbody>
</table>

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(1) Amount excludes transaction costs.

We made no share repurchases in 2021. As of December 31, 2021, 23.3 million shares remain authorized for repurchase under the 2019 and 2018 authorizations with no fixed termination date for the repurchases.

For information related to shares repurchased as part of the Liberty Expedia Holdings transaction during 2019, see NOTE 17 – Liberty Expedia Holdings Transaction.

**Dividends on our Common Stock**

In 2020 and 2019, the Executive Committee, acting on behalf of the Board of Directors, declared and paid the following common stock dividends:

<table>
<thead>
<tr>
<th>Declaration Date</th>
<th>Dividend Per Share</th>
<th>Record Date</th>
<th>Total Amount (in millions)</th>
<th>Payment Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 13, 2020</td>
<td>$0.34</td>
<td>March 10, 2020</td>
<td>$48</td>
<td>March 26, 2020</td>
</tr>
<tr>
<td>February 6, 2019</td>
<td>$0.32</td>
<td>March 7, 2019</td>
<td>$47</td>
<td>March 27, 2019</td>
</tr>
<tr>
<td>May 1, 2019</td>
<td>$0.32</td>
<td>May 23, 2019</td>
<td>48</td>
<td>June 13, 2019</td>
</tr>
<tr>
<td>July 24, 2019</td>
<td>0.34</td>
<td>August 22, 2019</td>
<td>50</td>
<td>September 12, 2019</td>
</tr>
<tr>
<td>November 6, 2019</td>
<td>0.34</td>
<td>November 19, 2019</td>
<td>50</td>
<td>December 12, 2019</td>
</tr>
</tbody>
</table>

During the second quarter of 2020, we suspended quarterly dividends on our common stock. At this time, we do not currently expect to declare future dividends on our common stock. Future declarations of dividends are subject to final determination by our Board of Directors.

**Accumulated Other Comprehensive Income (Loss)**

The balance of accumulated other comprehensive income as of December 31, 2021 and 2020 was comprised of foreign currency translation adjustments. These translation adjustments include foreign currency transaction losses at December 31, 2021 and 2020 of $15 million ($22 million before tax) and $69 million ($90 million before tax) associated with our 2.5% Notes. The 2.5% Notes are Euro-denominated debt designated as hedges of certain of our Euro-denominated net assets. See NOTE 2 — Significant Accounting Policies for more information.

**Non-redeemable Non-controlling Interests**

As of December 31, 2021 and 2020, our ownership interest in trivago was approximately 58.3% and 59.0%.

**NOTE 12 — Earnings Per Share**

**Basic Earnings Per Share**

Basic earnings per share was calculated for the years ended December 31, 2021, 2020 and 2019 using the weighted average number of common and Class B common shares outstanding during the period excluding restricted stock and stock held in escrow.

**Diluted Earnings Per Share**

For the year ended December 31, 2019, we computed diluted earnings per share using (i) the number of shares of common stock and Class B common stock used in the basic earnings per share calculation as indicated above, (ii) if dilutive, the incremental common stock that we would issue upon the assumed exercise or vesting of stock-based awards and common stock warrants using the treasury stock method, and (iii) other stock-based commitments. In periods when we recognize a net loss, such as the years ended December 31, 2021 and 2020, we exclude the impact of outstanding stock-based awards, common stock warrants and the potential share settlement impact related to our Convertible Notes from the diluted loss per share calculation as their inclusion would have an antidilutive effect.
The following table presents our basic and diluted earnings (loss) per share:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss) attributable to Expedia Group, Inc.</td>
<td>$12</td>
<td>$(2,612)</td>
<td>$565</td>
</tr>
<tr>
<td>Preferred stock dividend</td>
<td>(67)</td>
<td>(75)</td>
<td>—</td>
</tr>
<tr>
<td>Loss on redemption of preferred stock</td>
<td>(214)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net income (loss) attributable to Expedia Group, Inc. common stockholders</td>
<td>$(269)</td>
<td>$(2,687)</td>
<td>$565</td>
</tr>
<tr>
<td>Earnings (loss) per share attributable to Expedia Group, Inc. available to common stockholders:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$(1.80)</td>
<td>$(19.00)</td>
<td>3.84</td>
</tr>
<tr>
<td>Diluted</td>
<td>(1.80)</td>
<td>(19.00)</td>
<td>3.77</td>
</tr>
<tr>
<td>Weighted average number of shares outstanding (000's):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>149,734</td>
<td>141,414</td>
<td>147,194</td>
</tr>
<tr>
<td>Diluted</td>
<td>149,734</td>
<td>141,414</td>
<td>149,884</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2021, approximately 11 million of outstanding stock-based awards and approximately four million shares related to the potential share settlement impact related to our Convertible Notes have been excluded from the calculations of diluted earnings per share attributable to common stockholders because their effect would have been antidilutive. For the years ended December 31, 2020 and 2019, approximately 22 million of outstanding stock-based awards and common stock warrants and seven million of outstanding stock-based awards, respectively, were excluded.

The earnings per share amounts are the same for common stock and Class B common stock because the holders of each class are legally entitled to equal per share distributions whether through dividends or in liquidation.

NOTE 13 — Restructuring and Related Reorganization Charges

In 2020, we committed to restructuring actions intended to simplify our businesses and improve operational efficiencies, which have resulted in headcount reductions and office consolidations. As a result, we recognized $55 million and $231 million in restructuring and related reorganization charges during 2021 and 2020, respectively. We continue to evaluate additional cost reduction efforts and should we make decisions in future periods to take further actions we may incur additional reorganization charges.

We also engaged in certain smaller scale restructure actions in 2019 to centralize and migrate certain operational functions and systems, for which we recognized $24 million in restructuring and related reorganization charges, which were primarily related to severance, benefits and professional fees.
The following table summarizes the restructuring and related reorganization activity for the years ended December 31, 2021 and 2020 with the other charges primarily comprised of lease impairments and professional fees:

<table>
<thead>
<tr>
<th></th>
<th>Employee Severance and Benefits</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued liability as of January 1, 2020</td>
<td>$11</td>
<td>$6</td>
<td>$17</td>
</tr>
<tr>
<td>Charges</td>
<td>205</td>
<td>26</td>
<td>231</td>
</tr>
<tr>
<td>Payments</td>
<td>(120)</td>
<td>(17)</td>
<td>(137)</td>
</tr>
<tr>
<td>Non-cash items</td>
<td>7</td>
<td>(15)</td>
<td>(8)</td>
</tr>
<tr>
<td>Accrued liability as of December 31, 2020</td>
<td>$103</td>
<td>—</td>
<td>$103</td>
</tr>
<tr>
<td>Charges</td>
<td>30</td>
<td>25</td>
<td>55</td>
</tr>
<tr>
<td>Payments</td>
<td>(77)</td>
<td>(7)</td>
<td>(84)</td>
</tr>
<tr>
<td>Non-cash items (1)</td>
<td>(32)</td>
<td>(16)</td>
<td>(48)</td>
</tr>
<tr>
<td>Accrued liability as of December 31, 2021</td>
<td>$24</td>
<td>$2</td>
<td>$26</td>
</tr>
</tbody>
</table>

(1) Non-cash items for 2021 primarily relate to the removal of the Egencia obligations upon its disposal.

NOTE 14 — Other Income (Expense)

Other, net

The following table presents the components of other, net:

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td></td>
<td>(In millions)</td>
</tr>
<tr>
<td>Foreign exchange rate gains (losses), net</td>
<td>$ (48)</td>
</tr>
<tr>
<td>Gains (losses) on minority equity investments, net</td>
<td>(29)</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>$ (58)</td>
</tr>
</tbody>
</table>

NOTE 15 — Commitments and Contingencies

Letters of Credit, Purchase Obligations and Guarantees

We have commitments and obligations that include purchase obligations, guarantees and LOCs, which could potentially require our payment in the event of demands by third parties or contingent events. The following table presents these commitments and obligations as of December 31, 2021:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Less than 1 year</th>
<th>1 to 3 years</th>
<th>3 to 5 years</th>
<th>More than 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td>$ 824</td>
<td>$ 589</td>
<td>$ 222</td>
<td>$ 13</td>
</tr>
<tr>
<td>Purchase obligations</td>
<td></td>
<td>16</td>
<td>16</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Guarantees</td>
<td></td>
<td>20</td>
<td>8</td>
<td>12</td>
<td>—</td>
</tr>
<tr>
<td>Letters of credit</td>
<td></td>
<td>860</td>
<td>613</td>
<td>234</td>
<td>13</td>
</tr>
</tbody>
</table>

Our purchase obligations represent the minimum obligations we have under agreements with certain of our vendors. These minimum obligations are less than our projected use for those periods. Payments may be more than the minimum obligations based on actual use.

We have guarantees which consist primarily of bonds relating to tax assessments that we are contesting as well as bonds required by certain foreign countries’ aviation authorities for the potential non-delivery, by us, of packaged travel sold in those countries. The authorities also require that a portion of the total amount of packaged travel sold be bonded. Our guarantees also include certain surety bonds related to various company performance obligations.

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Our LOCs consist of stand-by LOCs, underwritten by a group of lenders, which we primarily issue for certain regulatory purposes as well as to certain hotel properties to secure our payment for hotel room transactions. The contractual expiration dates of these LOCs are shown in the table above. There were no material claims made against any stand-by LOCs during the years ended December 31, 2021, 2020 and 2019.

**Legal Proceedings**

In the ordinary course of business, we are a party to various lawsuits. Management does not expect these lawsuits to have a material impact on the liquidity, results of operations, or financial condition of Expedia Group. We also evaluate other potential contingent matters, including value-added tax, excise tax, sales tax, transient occupancy or accommodation tax and similar matters. We do not believe that the aggregate amount of liability that could be reasonably possible with respect to these matters would have a material adverse effect on our financial results; however, litigation is inherently uncertain and the actual losses incurred in the event that our legal proceedings were to result in unfavorable outcomes could have a material adverse effect on our business and financial performance.

**Litigation Relating to Occupancy Taxes.** One hundred three lawsuits have been filed by or against cities, counties and states involving hotel occupancy and other taxes. Eight lawsuits are currently active. These lawsuits are in various stages and we continue to defend against the claims made in them vigorously. With respect to the principal claims in these matters, we believe that the statutes or ordinances at issue do not apply to us or the services we provide and, therefore, that we do not owe the taxes that are claimed to be owed. We believe that the statutes or ordinances at issue generally impose occupancy and other taxes on entities that own, operate or control hotels (or similar businesses) or furnish or provide hotel rooms or similar accommodations. To date, forty-nine of these lawsuits have been dismissed. Some of these dismissals have been without prejudice and, generally, allow the governmental entity or entities to seek administrative remedies prior to pursuing further litigation. Thirty-four dismissals were based on a finding that we and the other defendants were not subject to the local tax ordinance or that the local government lacked standing to pursue its claims. As a result of this litigation and other attempts by certain jurisdictions to levy such taxes, we have established a reserve for the potential settlement of issues related to hotel occupancy and other taxes, consistent with applicable accounting principles and in light of all current facts and circumstances, in the amount of $50 million and $58 million as of December 31, 2021 and 2020, respectively. Our settlement reserve is based on our best estimate of probable losses and the ultimate resolution of these contingencies may be greater or less than the liabilities recorded. An estimate for a reasonably possible loss or range of loss in excess of the amount reserved cannot be made. Changes to the settlement reserve are included within legal reserves, occupancy tax and other in the consolidated statements of operations.

**Pay-to-Play.** Certain jurisdictions may assert that we are required to pay any assessed taxes prior to being allowed to contest or litigate the applicability of the ordinances. This prepayment of contested taxes is referred to as “pay-to-play.” Payment of these amounts is not an admission that we believe we are subject to such taxes and, even when such payments are made, we continue to defend our position vigorously. If we prevail in the litigation, for which a pay-to-play payment was made, the jurisdiction collecting the payment will be required to repay such amounts and also may be required to pay interest.

We are in various stages of inquiry or audit with various tax authorities, some of which, including in the City of Los Angeles regarding hotel occupancy taxes, may impose a pay-to-play requirement to challenge an adverse inquiry or audit result in court.

**Matters Relating to International VAT.** We are in various stages of inquiry or audit in multiple European Union jurisdictions regarding the application of VAT to our European Union related transactions. While we believe we comply with applicable VAT laws, rules and regulations in the relevant jurisdictions, the tax authorities may determine that we owe additional taxes. In certain jurisdictions, including the United Kingdom, we may be required to “pay-to-play” any VAT assessment prior to contesting its validity. While we believe that we will be successful based on the merits of our positions with regard to audits in pay-to-play jurisdictions, it is nevertheless reasonably possible that we could be required to pay any assessed amounts in order to contest or litigate the applicability of any assessments and an estimate for a reasonably possible amount of any such payments cannot be made.

**Competition and Consumer Matters.** On August 23, 2018, the Australian Competition and Consumer Commission, or "ACCC", instituted proceedings in the Australian Federal Court against trivago. The ACCC alleged breaches of Australian Consumer Law, or "ACL," relating to trivago's advertisements in Australia concerning the hotel prices available on trivago’s Australian site, trivago’s strike-through pricing practice and other aspects of the way offers for accommodation were displayed on trivago's Australian website. The matter went to trial in September 2019 and, on January 20, 2020, the Australian Federal Court issued a judgment finding trivago had engaged in conduct in breach of the ACL. On October 18 and 19, 2021, the Australian Federal Court heard submissions from the parties regarding penalties and other orders. In its submissions, the ACCC proposed a penalty of at least AUS$90 million and an injunction restraining trivago from engaging in misleading conduct of the type found by the Australian Federal Court to be in contravention of the ACL. trivago submitted that an appropriate penalty for
the court to impose would be in the order of up to AU$15 million. The parties await a ruling. We recorded an estimated probable loss of approximately $11 million with respect to these proceedings in a previous period. An estimate for the reasonable possible loss or range of loss in excess of the amount reserved cannot be made.

NOTE 16 – Divestitures

On November 1, 2021, we completed the sale of Egencia, Expedia Group’s corporate travel arm included within our B2B segment, to GBT. As a result of the sale, we deconsolidated Egencia, recognized a gain of $401 million within gain (loss) on sale of business, net in the consolidated statement of operations and divested cash and restricted cash of $88 million. We received no cash for this transaction but Expedia Group became an indirect holder of an approximately 19% interest of GBT with an initial fair value of $815 million, and a subsidiary entered into a 10-year lodging supply agreement with GBT. We have elected to account for our investment under the fair value option (see NOTE 3 — Fair Value Measurements). The 19% of indirect interest is subject to changes based on final debt/cash and working capital adjustments and, any such adjustment, would impact our gain on the sale.

In addition, during 2020 and 2021, in connection with our efforts to focus on our core businesses and streamline our activities, we committed to plans to divest certain smaller businesses primarily within our Retail segment. As a result, in 2020, we completed the sale of certain smaller businesses, including Bodybuilding.com and SilverRail, which combined resulted in a net losses of $13 million and net cash divested of $21 million. In 2021, we completed additional sales including Classic Vacations and Alice, which combined resulted in net gains of $57 million and net cash received of $27 million. The resulting gains and losses in these transactions were recorded within gain (loss) on sale of business, net in the consolidated statement of operations.

None of these dispositions were considered a strategic shift that will have a major effect on our operations or financial results and they did not represent individually significant components of our business; therefore, they have not been reported as discontinued operations.

NOTE 17 – Liberty Expedia Holdings Transaction

On July 26, 2019, Expedia Group acquired all of the outstanding shares of Liberty Expedia Holdings, Inc. (“Liberty Expedia Holdings”) in a merger transaction in which the outstanding shares of Liberty Expedia Holdings’ Series A common stock and Series B common stock were exchanged for newly issued shares of common stock of Expedia Group with a fair value of $2.9 billion, assumption of $400 million in debt and $15 million of cash (the “Liberty Expedia Transaction”). We accounted for the acquired Liberty Expedia Holdings assets and liabilities, except for the Expedia Group shares repurchased, as a business combination. We accounted for the acquired Expedia Group shares held by Liberty Expedia Holdings as a share repurchase for consideration of $3.2 billion. As a result of this transaction, Expedia Group’s shares outstanding were reduced by approximately 3.1 million shares. The fair value of the assets and liabilities acquired in the business combination was $96 million, which was primarily comprised of $78 million of cash and $10 million of a trade name definite lived intangible asset related to Bodybuilding.com. Bodybuilding.com is primarily an Internet retailer of dietary supplements, sports nutrition products, and other health and wellness products. No goodwill was recorded for the portion of the transaction accounted for as a business combination.

In connection with the Liberty Expedia Transaction, a wholly-owned subsidiary of Expedia Group, Inc. (“Merger LLC”) assumed the obligations of Liberty Expedia Holdings with respect to the $400 million aggregate outstanding principal amount of 1.0% Exchangeable Senior Debentures due 2047 issued by Liberty Expedia Holdings (the “Exchangeable Debentures”) and the indenture governing the Exchangeable Debentures. On August 26, 2019, Merger LLC redeemed all of the Exchangeable Debentures in exchange for a total payment, including accrued and unpaid interest, of approximately $401 million.

Bodybuilding.com was consolidated into our financial statements starting on the acquisition date and we recognized $58 million in revenue and $7 million in operating losses for the year ended December 31, 2019, which was included within Corporate and Eliminations in our segment footnote.

For information related to the Liberty Expedia Holdings Transaction, see NOTE 18 — Related Party Transactions below.

NOTE 18 — Related Party Transactions

Mr. Diller is the Chairman and Senior Executive of Expedia Group. Certain relationships between Mr. Diller and the Company in connection with the Liberty Expedia Transaction (as defined below) are described below.

Prior to the closing of the Liberty Expedia Transaction on July 26, 2019, Liberty Expedia Holdings and its subsidiaries held 11,076,672 shares of Expedia Group common stock and 12,799,999 shares of Expedia Group Class B common stock, which shares represented approximately 53% of the total voting power of all shares of Expedia Group common stock and Class
B common stock, based on a total of 136,832,712 shares of Expedia Group common stock and 12,799,999 shares of Class B common stock outstanding as of July 12, 2019. Pursuant to an Amended and Restated Stockholders Agreement between Liberty Expedia and Mr. Diller (as amended as of November 4, 2016, the “Stockholders Agreement”), Mr. Diller generally had the right to vote all shares of Expedia Group common stock and Class B common stock held by Liberty Expedia Holdings and its subsidiaries (the “Diller Proxy”). As described below, the Stockholders Agreement, including the Diller Proxy, was terminated on July 26, 2019, upon the closing of the Liberty Expedia Transaction.

**Merger Agreement**

On April 15, 2019, Expedia Group entered into an Agreement and Plan of Merger (as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of June 5, 2019, the “Merger Agreement”) with Liberty Expedia Holdings, LEMS I LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company (“Merger LLC”), and LEMS II Inc., a Delaware corporation and a wholly owned subsidiary of Merger LLC (“Merger Sub”) and certain other related agreements (the transactions contemplated by the Merger Agreement and related agreements, the “Liberty Expedia Transaction”). The Merger Agreement provided for, among other things, (i) the merger of Merger Sub with and into Liberty Expedia Holdings (the “Merger”), with Liberty Expedia Holdings surviving the Merger as a wholly owned subsidiary of Merger LLC, and (ii) immediately following the Merger, the merger of Liberty Expedia Holdings (as the surviving corporation in the Merger) with and into Merger LLC (the “Upstream Merger”, and together with the Merger, the “Combination”), with Merger LLC surviving the Upstream Merger as a wholly owned subsidiary of the Company.

On July 26, 2019, the Combination was completed. At the effective time of the Merger (the “Effective Time”), each share of Series A common stock, par value $0.01 per share, of Liberty Expedia Holdings (the “Liberty Expedia Series A common stock”) and each share of Series B common stock, par value $0.01 per share, of Liberty Expedia Holdings (the “Liberty Expedia Series B common stock”) issued and outstanding immediately prior to the Effective Time (except for shares held by Liberty Expedia Holdings as treasury stock or held directly by Expedia Group) was converted into the right to receive a number of shares of Expedia Group common stock such that each holder of record of shares of Liberty Expedia Series A common stock or Liberty Expedia Series B common stock had the right to receive, in the aggregate, a number of shares of Expedia Group common stock equal to the product of the total number of shares of such series of Liberty Expedia Series A common stock and Liberty Expedia Series B common stock held of record by such holder immediately prior to the Merger multiplied by an exchange ratio equal to 0.36, with such product rounded up to the next whole share of Expedia Group common stock. The aggregate consideration payable in the Combination was approximately 20.7 million shares of Expedia Group common stock.

**Voting Agreement**

In connection with the transactions contemplated by the Merger Agreement, John C. Malone and Leslie Malone (together, the “Malone Group”) entered into a voting agreement (the “Voting Agreement”) with the Company on April 15, 2019, pursuant to which, at the July 26, 2019 meeting of the Liberty Expedia Holdings stockholders at which the Merger was approved, the Malone Group voted shares of Liberty Expedia common stock representing approximately 32% of the total voting power of the issued and outstanding shares of Liberty Expedia Holdings common stock as of April 30, 2019, in favor of the Merger Agreement and the transactions contemplated thereby.

**Exchange Agreement**

Simultaneously with the entry into the Merger Agreement, Mr. Diller, The Diller Foundation d/b/a The Diller - von Furstenberg Family Foundation (the “Family Foundation”), Liberty Expedia Holdings and the Company entered into an Exchange Agreement (the “Exchange Agreement,” the rights contemplated by which and by the Governance Agreement (as defined below) were agreed by Mr. Diller to be deemed to be in recognition and in lieu of Mr. Diller’s existing rights under the Former Governance Agreement (as defined below) and the Stockholders Agreement), and pursuant to which on July 26, 2019, immediately prior to the closing of the Combination, Mr. Diller and the Family Foundation exchanged with Liberty Expedia Holdings 5,523,452 shares of Expedia Group common stock for the same number of shares of Liberty Expedia Holdings Class B common stock held by Liberty Expedia Holdings (the shares of Class B common stock acquired by Mr. Diller and the Family Foundation pursuant to the Exchange Agreement, collectively referred to as the “Original Shares”). The Original Shares represent approximately 27% of the total voting power of all shares of Expedia Group common stock and Class B common stock, based on approximately 150 million shares of Expedia Group common stock and approximately 5.5 million shares of Class B common stock outstanding as of December 31, 2021.

**Former Governance Agreement**

During 2018 through July 26, 2019, Liberty Expedia Holdings (as assignee of Qurate Retail, Inc. (“Qurate”)) was a party to the Amended and Restated Governance Agreement, dated as of December 20, 2011, as amended, among the Company, Liberty Expedia Holdings and Mr. Diller (the “Former Governance Agreement”), pursuant to which Liberty Expedia Holdings had the right to nominate up to a number of directors equal to 20% of the total number of the directors on the Board (rounded

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up to the next whole number if the number of directors on the Board were not an even multiple of five) and had certain rights regarding committee participation, so long as Liberty Expedia Holdings satisfied certain stock ownership requirements. The Former Governance Agreement was terminated on July 26, 2019 upon the closing of the Liberty Expedia Transaction, at which time, pursuant to the Merger Agreement, each of the three directors serving on the Expedia Group Board of Directors who were nominated by Liberty Expedia Holdings resigned from the Board.

**New Governance Agreement**

Simultaneously with the entry into the Merger Agreement, the Company and Mr. Diller entered into a Second Amended and Restated Governance Agreement (the “Governance Agreement,” the rights contemplated by which and by the Exchange Agreement were agreed by Mr. Diller to be deemed to be in recognition and in lieu of Mr. Diller’s existing rights under the Former Governance Agreement and the Stockholders Agreement), which provided, among other things, that Mr. Diller could exercise a right (the “Purchase/Exchange Right”) during the nine month period following the closing of the Combination, to acquire up to 7,276,547 shares of Expedia Group Class B common stock by (1) exchange with the Company (or its wholly owned subsidiary) for an equivalent number of shares of Expedia Group common stock, or (2) purchase from the Company (or its wholly owned subsidiary) at a price per share equal to the average closing price of Expedia Group common stock for the five trading days immediately preceding notice of exercise (any shares acquired pursuant to the Purchase/Exchange Right, the “Additional Shares”). The Purchase/Exchange Right could be exercised from time to time in whole or in part.

On April 10, 2020, the Company and Mr. Diller entered into Amendment No. 1 (the “Governance Agreement Amendment”) to the New Governance Agreement. The Governance Agreement Amendment was entered into pursuant to the stipulation and order entered by the Delaware Court of Chancery on March 30, 2020 (the “Order”), and was approved by the Special Litigation Committee of the Board of Directors of the Company formed to, among other things, investigate and evaluate the claims raised against certain current and former members of the Board of Directors and officers of the Company in the consolidated action captioned In re Expedia Group Stockholders Litigation, Consolidated Case No. 2019-0494-JTL (the “Delaware Litigation”). Pursuant to the Order, Mr. Diller was not permitted to exercise the Purchase/Exchange Right prior to the Special Litigation Committee notifying Mr. Diller that it had completed its investigation of the claims raised in the Delaware Litigation (the “Completion Date”). The Governance Agreement Amendment extended the deadline by which Mr. Diller may have exercised the Purchase/Exchange Right to December 7, 2020 (the close of business on the forty-fifth day following the Completion Date). The Purchase/Exchange Right expired unexercised on December 7, 2020.

Subject to limited exception, no current or future holder of Original Shares may (and no holder of Additional Shares would have been permitted to) participate in, or vote in favor of, or tender shares into, any change of control transaction involving at least 50% of the outstanding shares or voting power of capital stock of the Company, unless such transaction provides for the same per share consideration and mix of consideration (or election right) and the same participation rights for shares of Class B common stock and shares of Expedia Group common stock. These requirements negotiated by the Expedia Group Special Committee and agreed to by Mr. Diller under the Governance Agreement did not exist under the Former Governance Agreement.

At the 2019 Annual Meeting of the Company’s stockholders, the Company’s stockholders approved a proposal to amend the Company’s certificate of incorporation to reflect the aforementioned transfer restrictions, automatic conversion provisions and change-of-control restrictions reflected in the Governance Agreement. The amendment was filed with the Secretary of State of Delaware on December 3, 2019, and became effective at 11:59 p.m., Eastern Time, on December 3, 2019.

On November 2, 2021, the parties to the Delaware Litigation and the Special Litigation Committee entered into a Stipulation of Compromise and Settlement (the “Settlement Agreement”) which sets forth the terms and conditions for the proposed settlement and dismissal with prejudice of the Delaware Litigation, subject to review and approval by the court. On January 19, 2022, the court entered its Order and Final Judgment (the “Settlement Order”) approving the proposed settlement set forth in the Settlement Agreement, dismissing the litigation with prejudice and extinguishing and releasing the claims that were or would have been asserted in the litigation against the defendants and related persons. The court also awarded plaintiff’s attorneys’ fees and expenses in the sum of $6.5 million. Pursuant to the Settlement Agreement, Mr. Diller, the other defendants, the Special Litigation Committee of the board of directors, and the Company agreed to the following governance and related provisions, among others:

- **Board and Executive Management Composition.** Prior to Mr. Diller’s departure from all roles at the Company (“Mr. Diller’s Departure”), no more than two of Mr. Diller’s immediate family members (including Mr. Diller) will serve on the Company’s board of directors at any time. Following Mr. Diller’s Departure (a) no immediate family member of Mr. Diller will serve in an executive position at the Company or as chair of the Company’s board of directors and (b) no more than one Diller family member will serve on the board of directors at any time. The Company agreed that, following Mr. Diller’s Departure, in the event that no family member of Mr. Diller is serving on the Company’s board, the Company will nominate one Diller family member or family-designated representative to serve on the board of directors (subject to the support of two-thirds of the independent directors if the new nominee is a Diller family member), so long as Mr. Diller, his family members and certain related parties (collectively with Mr. Diller and his

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family members, “Diller-related persons”) in aggregate own at least 5% of the Company’s outstanding common equity or a 15% voting interest in the Company.

The following provisions apply following Mr. Diller’s Departure:

• **Limitation on Voting Power of Class B Common Shares on Certain Matters.** The voting percentage cast by Class B common shares held or controlled by Diller-related persons on specified matters will be limited to 20% of the total voting power of the outstanding common shares. The specified matters are (a) any merger, sale or other extraordinary transaction requiring Company stockholder approval (with any excess shares to be voted in proportion to votes cast by common shares not held by Diller-related persons) and (b) the election of any director-nominee not supported by a majority of the board of directors (with any excess shares to be voted in proportion to votes cast by common shares not held by Diller-related persons or others soliciting proxies in respect of one or more nominees not nominated by the Company’s board of directors).

• **Provisions Relating to Sales of Class B Common Shares.** Before any sale by Mr. Diller or other Diller-related persons of Class B common shares representing 10% or more of the Company’s total voting power, the Company will have the opportunity to offer to purchase the shares, and also to accept or reject any counteroffer that the Diller-related person may make, subject to certain procedures. If the Company does not buy the shares, the selling party will have 10 months following conclusion of the first offer process to sell or agree to sell the shares for not less than the price (if any) offered by the Company, after which the Company’s right of first offer will again apply.

• The Company agreed to cooperate reasonably in connection with any sale of Class B common shares by Mr. Diller or other Diller-related persons and to use its reasonable efforts to permit any such sale to be completed promptly. Subject to the acquiror agreeing to a customary standstill at 30% of the Company’s total voting power and absent certain fiduciary duty determinations, the Company’s obligations include granting a waiver of Section 203 of the Delaware General Corporation Law, which following the acquisition could otherwise restrict certain “business combination” transactions with the acquiror.

Following the closing of the Liberty Expedia Transaction, the Company ceased to be a controlled company under the Nasdaq Stock Market Listing Rules and is required to comply with all of Nasdaq’s corporate governance requirements. While it is possible that Mr. Diller may at some point in the future beneficially own more than 50% of the outstanding voting power of the Company, the provisions of the Governance Agreement and the Company’s amended and restated certificate of incorporation provide that, subject to limited exception, no current or future holder of Original Shares may participate in, or vote or tender in favor of, any change of control transaction involving at least 50% of the outstanding shares of capital stock of the Company, unless such transaction provides for the same per share consideration and mix of consideration (or election right) and the same participation rights for shares of Expedia Group Class B common stock and shares of Expedia Group common stock.

**Other Agreements**

Simultaneously with the Company’s entry into the Merger Agreement, certain additional related agreements were entered into, including:

A Stockholders Agreement Termination Agreement by and among Mr. Diller, Liberty Expedia Holdings and certain wholly owned subsidiaries of Liberty Expedia Holdings, pursuant to which the Stockholders Agreement, including the Diller Proxy, terminated on July 26, 2019, upon the closing of the Liberty Expedia Transaction;

A Governance Agreement Termination Agreement, by and among Mr. Diller, the Company, Liberty Expedia Holdings and certain wholly owned subsidiaries of Liberty Expedia Holdings, pursuant to which the Former Governance Agreement terminated on July 26, 2019, upon the closing of the Liberty Expedia Transaction;

An Assumption and Joinder Agreement to Tax Sharing Agreement by and among the Company, Liberty Expedia Holdings and Qurate, pursuant to which the Company agreed to assume, effective at the closing of the Liberty Expedia Transaction, Liberty Expedia Holdings’ rights and obligations under the Tax Sharing Agreement, dated as of November 4, 2016, by and between Qurate and Liberty Expedia Holdings;

An Assumption Agreement Concerning Transaction Agreement Obligations by and among the Company, Liberty Expedia Holdings, Qurate and the Malone Group, pursuant to which the Company agreed to assume, effective at the closing of the Liberty Expedia Transaction, certain of Liberty Expedia Holdings’ rights and obligations under the Amended and Restated Transaction Agreement, dated as of September 22, 2016, as amended by the letter agreement dated as of March 6, 2018, as further amended by Amendment No. 2 to Transaction Agreement, dated as of April 15, 2019 (the “Transaction Agreement”), which survived the termination of the Transaction Agreement; and

An Assumption and Joinder Agreement to Reorganization Agreement by and among the Company, Liberty Expedia Holdings and Qurate, pursuant to which the Company agreed to assume, effective at the closing of the Liberty Expedia
Transaction, Liberty Expedia Holdings’ rights and obligations under the Reorganization Agreement, dated as of October 26, 2016, by and between Qurate and Liberty Expedia Holdings.

IAC/InterActiveCorp

The Company and IAC are related parties because Mr. Diller serves as Chairman and Senior Executive of both Expedia Group and IAC. Each of Expedia Group and IAC has a 50% ownership interest in three aircraft that may be used by both companies. In April 2019, Expedia Group and IAC entered into an agreement to jointly acquire the third of the jointly-owned corporate aircraft for a total expected cost of approximately $72 million (including purchase and related costs) to be split evenly between the two companies. In 2019, we made an initial payment of $23 million (50% of the total purchase price and refurbishment costs) for our interest. 2020 payments were nominal and, in September 2021, we paid approximately $13 million representing Expedia Group’s respective share of the balance upon delivery of the third aircraft. Members of the aircraft flight crews are employed by an entity in which the Company and IAC each have a 50% ownership interest. The Company and IAC have agreed to share costs relating to flight crew compensation and benefits pro-rata according to each company’s respective usage of the aircraft, for which they are separately billed by the entity described above. We share equally in fixed and nonrecurring costs for the aircraft; direct operating costs are pro-rated based on actual usage. In addition, in December 2021, we entered into agreements pursuant to which we may use additional aircraft owned by a subsidiary of IAC on a cost basis. No flights have been undertaken pursuant to this arrangement to date.

As of December 31, 2021 and 2020, the net basis in our ownership interest in the planes was $60 million and $50 million, respectively, recorded in long-term investments and other assets. In 2021, 2020 and 2019, operating and maintenance costs paid directly to the jointly-owned subsidiary for the airplanes were nominal.

NOTE 19 — Segment Information

We have the following reportable segments: Retail, B2B, and trivago. Our Retail segment, which consists of the aggregation of operating segments, provides a full range of travel and advertising services to our worldwide customers through a variety of consumer brands including: Expedia.com and Hotels.com in the United States and localized Expedia and Hotels.com websites throughout the world, Vrbo, Orbitz, Travelocity, Wotif Group, ebookers, CheapTickets, Hotwire.com, CarRentals.com and Expedia Cruises. Our B2B segment is comprised of our Expedia Business Services organization including Expedia Partner Solutions, which offers private label and co-branded products to make travel services available to travelers through third-party company branded websites, and Egencia (until its sale on November 1, 2021), a full-service travel management company that provides travel services to businesses and their corporate customers. Our trivago segment generates advertising revenue primarily from sending referrals to online travel companies and travel service providers from its hotel metasearch websites.

We determined our operating segments based on how our chief operating decision makers manage our business, make operating decisions and evaluate operating performance. Our primary operating metric is Adjusted EBITDA. Adjusted EBITDA for our Retail and B2B segments includes allocations of certain expenses, primarily related to our global travel supply organization and the majority of costs from our product and technology platform, as well as facility costs and the realized foreign currency gains or losses related to the forward contracts hedging a component of our net merchant lodging revenue. We base the allocations primarily on transaction volumes and other usage metrics. We do not allocate certain shared expenses such as accounting, human resources, certain information technology and legal to our reportable segments. We include these expenses in Corporate and Eliminations. Our allocation methodology is periodically evaluated and may change. During the fourth quarter of 2021, we consolidated our divisional finance teams into one global finance organization, which resulted in the reclassification of expenses from Retail and B2B into our Corporate function. We have reclassified prior period segment information to conform to our current period presentation.

Our segment disclosure includes intersegment revenues, which primarily consist of advertising and media services provided by our trivago segment to our Retail segment. These intersegment transactions are recorded by each segment at amounts that approximate fair value as if the transactions were between third parties, and therefore, impact segment performance. However, the revenue and corresponding expense are eliminated in consolidation. The elimination of such intersegment transactions is included within Corporate and Eliminations in the table below.

Corporate and Eliminations also includes unallocated corporate functions and expenses as well as Bodybuilding.com through its sale in May 2020. In addition, we record amortization of intangible assets and any related impairment, as well as stock-based compensation expense, restructuring and related reorganization charges, legal reserves, occupancy tax and other, and other items excluded from segment operating performance in Corporate and Eliminations. Such amounts are detailed in our segment reconciliation below.
The following tables present our segment information for 2021, 2020 and 2019. As a significant portion of our property and equipment is not allocated to our operating segments and depreciation is not included in our segment measure, we do not report the assets by segment as it would not be meaningful. We do not regularly provide such information to our chief operating decision makers.

<table>
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<tr>
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<th>Year ended December 31, 2021</th>
<th></th>
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<tr>
<td></td>
<td>Retail</td>
<td>B2B</td>
<td>trivago</td>
<td>Corporate &amp; Eliminations</td>
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<td>Third-party revenue</td>
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<td>$ 1,460</td>
<td>$ 317</td>
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<td>$ 8,598</td>
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<tr>
<td>Revenue</td>
<td>$ 6,821</td>
<td>$ 1,460</td>
<td>$ 423</td>
<td>(106)</td>
<td>$ 8,598</td>
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<tr>
<td>Adjusted EBITDA</td>
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<td>$ 110</td>
<td>$ 39</td>
<td>(454)</td>
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<td>Depreciation</td>
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<td>Legal reserves, occupancy tax and other</td>
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<td>Restructuring and related reorganization charges</td>
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<td>Realized (gain) loss on revenue hedges</td>
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<td>Operating income (loss)</td>
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<td>$ 8</td>
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<td>Provision for income taxes</td>
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</tr>
<tr>
<td>Net income</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Net income attributable to non-controlling interests</td>
<td>(3)</td>
<td></td>
<td></td>
<td></td>
<td>(3)</td>
</tr>
<tr>
<td>Net income attributable to Expedia Group, Inc.</td>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Preferred stock dividend</td>
<td>(67)</td>
<td></td>
<td></td>
<td></td>
<td>(67)</td>
</tr>
<tr>
<td>Loss on redemption of preferred stock</td>
<td>(214)</td>
<td></td>
<td></td>
<td></td>
<td>(214)</td>
</tr>
<tr>
<td>Net loss attributable to Expedia Group, Inc. common stockholders</td>
<td>$ (269)</td>
<td></td>
<td></td>
<td></td>
<td>(269)</td>
</tr>
</tbody>
</table>

F- 45
### Year ended December 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>Retail</th>
<th>B2B</th>
<th>trivago</th>
<th>Corporate &amp; Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Third-party revenue</strong></td>
<td>$3,993</td>
<td>$942</td>
<td>$205</td>
<td>$59</td>
<td>$5,199</td>
</tr>
<tr>
<td><strong>Intersegment revenue</strong></td>
<td>—</td>
<td>—</td>
<td>75</td>
<td>(75)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$3,993</td>
<td>$942</td>
<td>$280</td>
<td>(16)</td>
<td>$5,199</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$298</td>
<td>(190)</td>
<td>(14)</td>
<td>(462)</td>
<td>(368)</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>(525)</td>
<td>(128)</td>
<td>(12)</td>
<td>(74)</td>
<td>(739)</td>
</tr>
<tr>
<td><strong>Amortization of intangible assets</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td><strong>Intangible and other long-term asset impairment</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(175)</td>
<td>(175)</td>
</tr>
<tr>
<td><strong>Stock-based compensation</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(205)</td>
<td>(205)</td>
</tr>
<tr>
<td><strong>Legal reserves, occupancy tax and other</strong></td>
<td>—</td>
<td>—</td>
<td>13</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td><strong>Restructuring and related reorganization charges</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(231)</td>
<td>(231)</td>
</tr>
<tr>
<td><strong>Realized (gain) loss on revenue hedges</strong></td>
<td>(58)</td>
<td>(3)</td>
<td>—</td>
<td>—</td>
<td>(61)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(285)</td>
<td>(321)</td>
<td>(26)</td>
<td>(2,087)</td>
<td>(2,719)</td>
</tr>
<tr>
<td><strong>Other expense, net</strong></td>
<td>(432)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loss before income taxes</strong></td>
<td>(3,151)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>423</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td>(2,728)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net loss attributable to non-controlling interests</strong></td>
<td>116</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net loss attributable to Expedia Group, Inc.</strong></td>
<td>(2,612)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Preferred stock dividend</strong></td>
<td>(75)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net loss attributable to Expedia Group, Inc. common stockholders</strong></td>
<td>(2,687)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Year ended December 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Retail</th>
<th>B2B</th>
<th>trivago</th>
<th>Corporate &amp; Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Third-party revenue</strong></td>
<td>$8,808</td>
<td>$2,579</td>
<td>$622</td>
<td>$58</td>
<td>$12,067</td>
</tr>
<tr>
<td><strong>Intersegment revenue</strong></td>
<td>—</td>
<td>—</td>
<td>316</td>
<td>(316)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$8,808</td>
<td>$2,579</td>
<td>$938</td>
<td>(258)</td>
<td>$12,067</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$2,171</td>
<td>$470</td>
<td>$85</td>
<td>(592)</td>
<td>$2,134</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>(512)</td>
<td>(110)</td>
<td>(11)</td>
<td>(79)</td>
<td>(712)</td>
</tr>
<tr>
<td><strong>Amortization of intangible assets</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(198)</td>
<td>(198)</td>
</tr>
<tr>
<td><strong>Stock-based compensation</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(241)</td>
<td>(241)</td>
</tr>
<tr>
<td><strong>Legal reserves, occupancy tax and other</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(34)</td>
<td>(34)</td>
</tr>
<tr>
<td><strong>Restructuring and related reorganization charges</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(24)</td>
<td>(24)</td>
</tr>
<tr>
<td><strong>Realized (gain) loss on revenue hedges</strong></td>
<td>(8)</td>
<td>(14)</td>
<td>—</td>
<td>—</td>
<td>(22)</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>$1,651</td>
<td>$346</td>
<td>$74</td>
<td>(1,168)</td>
<td>903</td>
</tr>
<tr>
<td><strong>Other expense, net</strong></td>
<td>(128)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>775</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Provision for income taxes</strong></td>
<td>(203)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>572</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income attributable to non-controlling interests</strong></td>
<td>(7)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income attributable to Expedia Group, Inc.</strong></td>
<td>$565</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Revenue by Business Model and Service Type**

The following table presents revenue by business model and service type for the years ended December 31, 2021, 2020 and 2019:

<table>
<thead>
<tr>
<th>Business Model</th>
<th>2021 (In millions)</th>
<th>2020 (In millions)</th>
<th>2019 (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant</td>
<td>$5,537</td>
<td>$3,261</td>
<td>$6,763</td>
</tr>
<tr>
<td>Agency</td>
<td>2,307</td>
<td>1,267</td>
<td>3,882</td>
</tr>
<tr>
<td>Advertising, media and other</td>
<td>754</td>
<td>671</td>
<td>1,422</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$8,598</td>
<td>$5,199</td>
<td>$12,067</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Type</th>
<th>2021 (In millions)</th>
<th>2020 (In millions)</th>
<th>2019 (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$6,449</td>
<td>$4,051</td>
<td>$8,362</td>
</tr>
<tr>
<td>Air</td>
<td>254</td>
<td>105</td>
<td>869</td>
</tr>
<tr>
<td>Advertising and media</td>
<td>603</td>
<td>405</td>
<td>1,104</td>
</tr>
<tr>
<td>Other(1)</td>
<td>1,292</td>
<td>638</td>
<td>1,732</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$8,598</td>
<td>$5,199</td>
<td>$12,067</td>
</tr>
</tbody>
</table>

(1) Other includes car rental, insurance, destination services, cruise and fee revenue related to our corporate travel business prior to our sale of Egencia on November 1, 2021, among other revenue streams, none of which are individually material. Other also includes product revenue of $59 million and $58 million during the years ended December 31, 2020 and 2019 related to Bodybuilding.com, which was sold in May 2020.

Our Retail and B2B segments generate revenue from the merchant, agency and advertising, media and other business models as well as all service types. trivago segment revenue is generated through advertising and media.

**Geographic Information**

The following table presents revenue by geographic area, the United States and all other countries, based on the geographic location of our websites or points of sale with the exception of trivago, which has all been allocated to Germany, the location of its corporate headquarters, for the years ended December 31, 2021, 2020 and 2019. No sales to an individual country other than the United States accounted for more than 10% of revenue for the presented years:

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2021 (In millions)</th>
<th>2020 (In millions)</th>
<th>2019 (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$6,569</td>
<td>$3,511</td>
<td>$6,869</td>
</tr>
<tr>
<td>All other countries</td>
<td>2,029</td>
<td>1,688</td>
<td>5,198</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$8,598</td>
<td>$5,199</td>
<td>$12,067</td>
</tr>
</tbody>
</table>

The following table presents property and equipment, net for the United States and all other countries, as of December 31, 2021 and 2020:

<table>
<thead>
<tr>
<th>Property and equipment, net</th>
<th>2021 (In millions)</th>
<th>2020 (In millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$2,056</td>
<td>$2,114</td>
</tr>
<tr>
<td>All other countries</td>
<td>124</td>
<td>143</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>$2,180</td>
<td>$2,257</td>
</tr>
</tbody>
</table>
NOTE 20 — Valuation and Qualifying Accounts

The following table presents the changes in our valuation and qualifying accounts. Other reserves primarily include our accrual of the cost associated with purchases made on our website related to the use of fraudulent credit cards “charged-back” due to payment disputes and cancellation fees as well as refund reserves in 2020 and 2021 due to COVID impacts.

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance at Beginning of Period</th>
<th>Charges to Earnings</th>
<th>Charges to Other Accounts&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Deductions</th>
<th>Balance at End of Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2021</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for expected credit losses</td>
<td>$101</td>
<td>7</td>
<td>(17)</td>
<td>(26)</td>
<td>$65</td>
</tr>
<tr>
<td>Other reserves</td>
<td>58</td>
<td>7</td>
<td>(1)</td>
<td>—</td>
<td>64</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for expected credit losses</td>
<td>$41</td>
<td>82</td>
<td>2</td>
<td>(24)</td>
<td>$101</td>
</tr>
<tr>
<td>Other reserves</td>
<td>19</td>
<td>39</td>
<td>2</td>
<td>(2)</td>
<td>58</td>
</tr>
<tr>
<td><strong>2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>$34</td>
<td>25</td>
<td>(3)</td>
<td>(15)</td>
<td>$41</td>
</tr>
<tr>
<td>Other reserves</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Charges to other accounts primarily relates to amounts acquired through acquisitions or disposed of through sales of businesses, net translation adjustments and reclassifications.

NOTE 21 — Subsequent Event

On February 1, 2022, the applicable trustee, on behalf of the Company, provided notice to the holders of the Company’s 2.5% Notes due 2022 that the Company will redeem all of the €650 million of outstanding aggregate principal amount of such notes on March 3, 2022. The redemption price for the notes will be equal to 100% of the aggregate principal amount thereof plus accrued and unpaid interest thereon through the redemption date.
REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Description of Common Stock

General

The following description of our securities is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our amended and restated certificate of incorporation and our amended and restated bylaws.

Authorized Shares

Expedia Group’s (the “Company”) authorized shares consist of (1) 1,600,000,000 shares of common stock, par value $0.0001 per share, (2) 400,000,000 shares of Class B common stock, par value $0.0001 per share, and (3) 100,000,000 shares of preferred stock, par value $0.001 per share. The outstanding shares of the Company’s common stock are fully paid and nonassessable.

Dividends

Holders of our common stock are entitled to receive, share for share with the holders of our Class B common stock, dividends, if any, as and when may be declared from time to time by our Board of Directors in its discretion out of funds available, subject to the rights of any holders of preferred stock.

Voting Rights

Each holder of our common stock is entitled to one vote for each share of common stock held by such stockholder on any matter that is submitted to a vote or to the consent of the Company’s stockholders, and each holder of our Class B common stock is entitled to vote ten votes for each share of Class B common stock held by such stockholder on any matter that is submitted to a vote or to the consent of the Company’s stockholders. Notwithstanding the foregoing, holders of the Company’s common stock, voting as a single class, are entitled to elect 25% of the total number of the Company’s directors, rounded up to the next whole number in the event of a fraction.

Liquidation Rights

If we liquidate our business, holders of common stock are entitled to share equally, share for share with holders of Class B common stock, in any distribution of our assets after we pay our liabilities and the liquidation preference of any outstanding preferred stock.

Absence of Other Rights

Holders of common stock have no preemptive rights to purchase or subscribe for any stock or other securities. In addition, there are no conversion rights or redemption or sinking fund provisions.

Miscellaneous

Our common stock is traded on the Nasdaq Stock Market under the symbol “EXPE.”

Transfer Agent and Registrar
The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

**Certain Other Provisions of Our Certificate of Incorporation or Bylaws**

*General.* Certain provisions of our amended and restated certificate of incorporation and the DGCL could make it more difficult to consummate an acquisition of control of us by means of a tender offer, a proxy fight, open market purchases or otherwise in a transaction not approved by our Board of Directors. The provisions described below may reduce our vulnerability to an unsolicited proposal for the restructuring or sale of all or substantially all of our assets or an unsolicited takeover attempt which is unfair to our stockholders. The summary of the provisions set forth below does not purport to be complete and is qualified in its entirety by reference to our amended and restated certificate of incorporation, our amended and restated bylaws and the DGCL.

*Business Combinations.* Section 203 of the DGCL prohibits a Delaware corporation from engaging in a “business combination” with a stockholder who owns 15% or more of the corporation’s voting stock (which is referred to as an “interested stockholder”) for three years following the time that such stockholder became an interested stockholder unless (i) prior to the time such stockholder became an interested stockholder, the board of directors approved either the business combination or the transaction which resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, such stockholder owns at least 85% of the voting stock outstanding at the time the transaction commenced (subject to certain exclusions), or (iii) at or subsequent to such time, the business combination is approved by the board of directors and by the affirmative vote (but not written consent) of at least 66 2/3% of the corporation’s outstanding voting stock that is not owned by the interested stockholder. A Delaware corporation may opt out of Section 203 of the DGCL in its certificate of incorporation or a stockholder approved bylaw. Because we have not opted out of Section 203 of the DGCL, we remain subject to such provision.

*Special Meetings.* Under the DGCL, a special meeting of stockholders may be called by the board of directors or by any other person authorized to do so in the certificate of incorporation or bylaws. Under our amended and restated certificate of incorporation, special meetings of stockholders may only be called by a majority of our Board of Directors or the Chairman of our Board of Directors.

*Board Vacancies.* Our amended and restated bylaws provide that vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the vote of a majority of the remaining directors elected by the stockholders who vote on such directorship, though less than a quorum, or a majority of the voting power of shares of such stock issued and outstanding and entitled to vote on such directorship at a special meeting held for such purpose or by the written consent of a majority of the voting power of shares of such stock issued and outstanding. The directors so chosen shall hold office until the next annual election and until their respective successors are duly elected.

*Equal Treatment of Stockholders in Change of Control Transactions.* Under our amended and restated certificate of incorporation, the Company may not enter into a change of control transaction involving at least 50% of the outstanding shares of our capital stock that provides for different consideration in respect of shares of our common stock and our Class B common stock, subject to limited exceptions, and no holder of certain shares of Class B common stock may participate in, or vote or tender in favor of, any such change of control transaction that provides for such differential consideration. For more information, see the disclosure set forth in Part I, Item 1A, Risk Factors, under the caption “Governance Risks.”

**Description of Debt Securities**

The Company has previously filed a registration statement on Form S-3 (File No. 333-197974), which was filed with the SEC on August 08, 2014, as amended by the Post-Effective Amendment No. 1 to Form S-3 Registration Statement (File No. 333-197974), which was filed with the SEC on April 29, 2015, and supplemented by the prospectus supplement (File No. 333-197974), which was filed with the SEC on June 01, 2015 (the “prospectus supplement”), and covers the issuance of the Company’s 2.500% Senior Notes due 2022 (the “notes”).
The notes are governed by an indenture, dated as of August 18, 2014, among the Company, the subsidiary guarantors from time to time party thereto, and the BNY Trustee (the “indenture”), as supplemented prior to the date hereof, including without limitation by the Fourth Supplemental Indenture, dated as of June 3, 2015 (the “fourth supplemental indenture”).

The following description of the notes is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the indenture and the fourth supplemental indenture described above, each of which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part, as supplemented. References herein to the terms “we” and “us” mean the Company.

We encourage you to read the above referenced indenture and fourth supplemental indenture, as supplemented, for additional information.

General

We initially issued €650 million aggregate principal amount of the notes, which remained the aggregate principal amount outstanding as of December 31, 2021.

We may from time to time, without notice to or the consent of the holders of the notes, create and issue additional notes having the same terms as, and ranking equally and ratably with, the notes in all respects (or in all respects except for the date of issuance, issue price, the initial interest accrual date and amount of interest payable on the first payment date applicable thereto). Such additional notes will be treated as a single class with the notes (including for purposes of redemptions), and will vote together as one class on all matters with respect to the notes (including for purposes of waivers and amendments), subject to certain limited exceptions. As of December 31, 2021, no such additional notes had been issued.

The notes are not subject to any sinking fund. The notes are not convertible or exchangeable.

The notes are traded on the New York Stock Exchange under the bond trading symbol of “EXPE22”.

Interest and Maturity

The notes accrue interest at a rate of 2.500% per year from the most recent interest payment date to or for which interest has been paid or duly provided, payable annually in arrears on June 3 of each year.

Interest is paid to the person in whose name a note is registered at the close of business on the May 20 immediately preceding the relevant interest payment date (whether or not such day is a business day), or, if the notes are represented by one or more global notes, the close of business on the business day (for this purpose a day on which Clearstream and Euroclear are open for business) immediately preceding the interest payment date. Interest on the notes will be computed on the basis of the actual number of days in the period for which interest is being calculated and the actual number of days from and including the last date on which interest was paid on the notes, to but excluding the next scheduled interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

If any interest or other payment date of a note falls on a day that is not a business day, the required payment of principal, premium, if any, and interest will be made on the next succeeding business day as if made on the date that the payment was due, and no interest will accrue on that payment for the period from and after that interest or other payment date, as the case may be, to the date of that payment on the next succeeding business day. The term “business day” means, with respect to any note, any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day when banking institutions are authorized or obligated by law or executive order to be closed in New York City or London and, for any place of payment outside of New York City or London, in such place of payment, and a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer system, or any successor thereto, operates. The notes were issued only in registered form without coupons in denominations of €100,000 and
integral multiples of €1,000 in excess of that amount. The notes are represented by one or more global notes, but in certain limited circumstances may be represented by certificated notes.

Payments of principal of, premium, if any, and interest on the notes are payable in euro. If euro are unavailable to us due to the imposition of exchange controls or other circumstances beyond our control (including the dissolution of the euro) or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the notes will be made in U.S. dollars until the euro is again available to us or so used. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the then most recent U.S. dollar/euro exchange rate available on or prior to the second business day prior to the relevant payment date as determined by us in our sole discretion. Any payment in respect of the notes so made in U.S. dollars will not constitute an event of default under the notes or the indenture governing the notes. Neither the trustee nor the paying agent shall have any responsibility for any calculation or conversion in connection with the foregoing.

The notes will mature on June 3, 2022, unless redeemed prior to that date.

Guarantees

The subsidiary guarantors will unconditionally guarantee, jointly and severally, the due and punctual payment of principal of, premium, if any, and interest on the notes, when and as the same become due and payable, whether on a maturity date, by declaration of acceleration, upon redemption or otherwise, and all other obligations under the indenture.

In the event that, at any time, any of our domestic subsidiaries which is not, or has previously been released as, a subsidiary guarantor becomes a guarantor or borrower under our credit agreement, that subsidiary will be required to become a subsidiary guarantor and guarantee the notes not later than 60 days following the date on which it becomes a guarantor or borrower under the credit agreement.

In the event that, for any reason, the obligations of any subsidiary guarantor terminate as a guarantor or borrower under the credit agreement (including, without limitation, pursuant to the terms of the credit agreement, upon agreement of the requisite lenders under the credit agreement or upon the termination of the credit agreement or upon the replacement thereof with a credit facility not requiring such guarantees), that subsidiary guarantor will be deemed released from all its obligations under the indenture and its guarantees of the notes will terminate. A subsidiary guarantor’s guarantee will also terminate and such subsidiary guarantor will be deemed released from all of its obligations under the indenture (a) upon legal defeasance or covenant defeasance as provided below under “Defeasance and Covenant Defeasance” or satisfaction and discharge of the indenture as provided below under “Satisfaction and Discharge,” and (b) in connection with any sale or other disposition of all or any portion of the capital stock of that subsidiary guarantor (including by way of merger or consolidation) or other transaction such that after giving effect to such transaction such subsidiary guarantor is no longer a domestic subsidiary of the Company. Any release described in this paragraph may be evidenced by a supplemental indenture or other instrument which may be entered into without the consent of any holders of notes.

The indenture provides that the obligations of each subsidiary guarantor under its guarantees is limited to the maximum amount that, after giving effect to all other contingent and fixed liabilities of such subsidiary guarantor, would cause the obligations of such subsidiary guarantor not to constitute a fraudulent conveyance or fraudulent transfer under any applicable law; provided, however, there is some doubt as to whether this limitation will be effective to avoid such guarantee from constituting a fraudulent conveyance.

“credit agreement” means the Amended and Restated Credit Agreement, dated as of September 5, 2014, among Expedia, Inc. (a Delaware corporation), Expedia, Inc. (a Washington corporation), Travelscape, LLC, Hotwire, Inc., the lenders party thereto, JPMorgan Chase Bank N.A., as administrative agent, and J.P. Morgan
Europe Limited, as London agent, as the same has been amended, supplemented or otherwise modified prior to the date hereof and may be further amended, supplemented or otherwise modified from time to time, and any successor credit agreement thereto (whether by renewal, replacement, refinancing or otherwise) that the Company in good faith designates to be its principal credit agreement (taking into account the maximum principal amount of the credit facility provided thereunder, the recourse nature of the agreement and such other factors as we deem reasonable in light of the circumstances), such designation (or the designation that at a given time there is no principal credit agreement) to be made by an officers’ certificate delivered to the trustee.

**Ranking**

The notes are our unsecured, unsubordinated obligations and rank equally in right of payment with all of our existing and future unsubordinated indebtedness.

So long as they are in effect, the guarantees of any subsidiary guarantors are senior unsecured obligations of those Subsidiaries and rank equally in right of payment with all other existing and future unsecured and unsubordinated obligations of those subsidiaries.

**Optional Redemption**

We may redeem the notes at our option at any time in whole or from time to time in part. If we elect to redeem notes prior to March 3, 2022 (the date that is three months prior to the maturity date of the notes), we will pay a redemption price equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest thereon to but excluding the redemption date:

- 100% of the aggregate principal amount of the notes to be redeemed; or
- the sum of the present values of the remaining scheduled payments.

In determining the present values of the remaining scheduled payments, we will discount such payments to the redemption date on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable comparable government bond rate plus 40 basis points.

If we elect to redeem notes on or after March 3, 2022 (the date that is three months prior to the maturity date of the notes), we will pay a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to but excluding the redemption date.

In any case, the principal amount of a note remaining outstanding after a redemption in part shall be €100,000 or an integral multiple of €1,000 in excess thereof.

The following terms are relevant to the determination of the redemption price for any redemption prior to March 3, 2022.

“comparable government bond” means, in relation to any comparable government bond rate calculation, at the discretion of an independent investment bank selected by us, a German federal government bond whose maturity is closest to the maturity of the notes to be redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German federal government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German federal government bonds selected by us, determine to be appropriate for determining the comparable government bond rate.

“comparable government bond rate” means, with respect to any redemption date, the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the notes to be redeemed, if they were to be purchased at such price on the third business day prior to the redemption date, would be equal to the gross redemption yield on such business
day of the comparable government bond (as defined above) on the basis of the middle market price of the comparable government bond prevailing at 11:00
a.m. (London time) on such business day as determined by an independent investment bank selected by us.

“remaining scheduled payments” means, with respect to any note to be redeemed, the remaining scheduled payments of the principal and interest thereon
that would be due after the related redemption date but for such redemption; provided, however, that, if such redemption date is not an interest payment date
with respect to such note, the amount of the next scheduled interest payment thereon will be reduced (solely for purposes of making this determination) by the
amount of interest accrued thereon to such redemption date.

A partial redemption of the notes may be effected pro rata or by lot or by such method as the trustee shall deem fair and appropriate and the trustee may
provide for the selection for redemption of portions (equal to €100,000 or an integral multiple of €1,000 in excess thereof) of the principal amount of notes of a
denomination larger than the minimum authorized denomination for the notes; provided, that as long as the notes are represented by global notes, interests in the notes
shall be selected for redemption by Euroclear or Clearstream in accordance with their respective standard procedures therefor.

Notice of any redemption will be mailed, or delivered electronically if held by any depositary, at least 30 days but not more than 60 days before the redemption
date to each registered holder of the notes to be redeemed.

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

Additional Amounts

All payments of principal and interest in respect of the notes by us or a paying agent on our behalf will be made free and clear of, and without deduction or
withholding for or on account of, any present or future taxes, duties, assessments or other similar governmental charges imposed or levied by the United States or any
political subdivision or taxing authority of or in the United States (collectively, “taxes”), unless such withholding or deduction is required by law.

In the event such withholding or deduction for taxes is required by law, subject to certain limitations, we will pay to any non-U.S. holder such additional
amounts (“additional amounts”) as may be necessary to ensure that the net amount received by such person, after withholding or deduction for such taxes, will be equal
to the amount such person would have received in the absence of such withholding or deduction.

However, no additional amounts shall be payable with respect to any taxes if such taxes are imposed or levied for reasons unrelated to the holder’s or
beneficial owner’s ownership or disposition of notes, nor shall additional amounts be payable for or on account of:

(a) any taxes which would not have been so imposed, withheld or deducted but for:

(1) the existence of any present or former connection between the holder or beneficial owner (or between a fiduciary, settlor, beneficiary,
member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner, if such holder or beneficial owner
is an estate, a trust, a limited liability company, a partnership, a corporation or other entity) and the United States, including, without limitation, such
holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or other equity owner or person having such a power) being or
having been a citizen or resident or treated as a resident of the United States, being or having been engaged in a trade or business in the United States,
being or having been present in the United States, or having or having had a permanent establishment in the United States;
(2) the failure of the holder or beneficial owner to comply with any applicable certification, information, documentation or other reporting requirement, if compliance is required under the tax laws and regulations of the United States or any political subdivision or taxing authority of or in the United States to establish entitlement to a partial or complete exemption from such taxes (including, but not limited to, the requirement to provide Internal Revenue Service Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or any subsequent versions thereof or successor thereto); or

(3) the holder’s or beneficial owner’s present or former status as a personal holding company or a foreign personal holding company with respect to the United States, as a controlled foreign corporation with respect to the United States, as a passive foreign investment company with respect to the United States, as a foreign tax exempt organization with respect to the United States or as a corporation that accumulates earnings to avoid United States federal income tax;

(b) any taxes which would not have been imposed, withheld or deducted but for the failure of the holder or beneficial owner to meet the requirements (including the certification requirements) of Section 871(h) or Section 881(c) of the Internal Revenue Code of 1986, as amended (the “Code”);

(c) any taxes which would not have been imposed, withheld or deducted but for the presentation by the holder or beneficial owner of such note for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment of the note is duly provided for and notice is given to holders, whichever occurs later, except to the extent that the holder or beneficial owner would have been entitled to such additional amounts on presenting such note on any date during such 30-day period;

(d) any estate, inheritance, gift, sales, excise, transfer, personal property, wealth or similar taxes;

(e) any taxes which are payable otherwise than by withholding or deduction from a payment on such note;

(f) any taxes which are imposed, withheld or deducted with respect to, or payable by, a holder that is not the beneficial owner of the note, or a portion of the note, or that is a fiduciary, partnership, limited liability company or other similar entity, but only to the extent that a beneficial owner, a beneficiary or settlor with respect to such fiduciary or member of such partnership, limited liability company or similar entity would not have been entitled to the payment of an additional amount had such beneficial owner, settlor, beneficiary or member received directly its beneficial or distributive share of the payment;

(g) any taxes required to be withheld or deducted by any paying agent from any payment on any note, if such payment can be made without such withholding or deduction by at least one other paying agent;

(h) any taxes required to be withheld or deducted where such withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such European Council Directive;

(i) any taxes imposed, withheld or deducted under Sections 1471 through 1474 of the Code (or any amended or successor provisions), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code;
Any additional amounts will be paid in euro.

For purposes of this section “Additional Amounts,” the acquisition, ownership, enforcement, or holding of or the receipt of any payment with respect to a note will not constitute a connection (1) between the holder or beneficial owner and the United States or (2) between a fiduciary, settlor, beneficiary, member or shareholder or other equity owner of, or a person having a power over, such holder or beneficial owner if such holder or beneficial owner is an estate, a trust, a limited liability company, a partnership, a corporation or other entity and the United States.

Except as specifically provided under this section “Additional Amounts,” we will not be required to make any payment with respect to any tax, duty, assessment or other governmental charge imposed by any government or any political subdivision or taxing authority.

If we are required to pay additional amounts with respect to the notes, we will notify the trustee and paying agent pursuant to an officers’ certificate that specifies the additional amounts payable and when the additional amounts are payable. If the trustee and the paying agent do not receive such an officers’ certificate from us, the trustee and paying agent may rely on the absence of such an officers’ certificate in assuming that no such additional amounts are payable.

In addition, for so long as the notes are outstanding, we undertake that, to the extent permitted by law, we will maintain a paying agent in a jurisdiction that will not require withholding or deduction of tax pursuant to any law implementing European Council Directive 2003/48/EC on the taxation of savings income.

Whenever in the indenture (including the notes) or this exhibit there is referenced, in any context, the payment of amounts based upon the principal amount of the notes or of principal, interest or any other amount payable under, or with respect to, the notes or the guarantees, such reference will be deemed to include payment of additional amounts as described under this heading to the extent that, in such context, additional amounts are, were or would be payable in respect thereof.

Redemption for Tax Reasons

We may redeem the notes at our option, in whole but not in part, at a redemption price equal to 100% of the principal amount, together with any accrued and unpaid interest on the notes to, but excluding, the redemption date, at any time, if:

(i) we have or will become obliged to pay additional amounts with respect to the notes as a result of any change in, or amendment to, the laws, regulations, treaties, or rulings of the United States or any political subdivision of or in the United States or any taxing authority thereof or therein affecting taxation, or any change in, or amendment to, the application, official interpretation, administration or enforcement of such laws, regulations, treaties or rulings (including a holding by a court of competent jurisdiction in the United States), which change or amendment is enacted, adopted, announced or becomes effective on or after the date of this prospectus supplement; or

(ii) on or after the date of this prospectus supplement, any action is taken by a taxing authority of, or any action has been brought in a court of competent jurisdiction in, the United States or any political subdivision of or in the United States or any taxing authority thereof or therein, including any of those actions specified in clause (i) above, whether or not such action was taken or brought with respect to us, or there is any change, amendment, clarification, application or interpretation of
such laws, regulations, treaties or rulings, which in any such case, will result in a material probability that we will be required to pay additional amounts with respect to the notes (it being understood that such material probability will be deemed to result if the written opinion of independent tax counsel described in clause (b) below to such effect is delivered to the trustee and the paying agent).

Notice of any such redemption will be mailed, or delivered electronically if held by any depositary, at least 30 days but not more than 60 days before the redemption date to each registered holder of the notes; provided, however, that the notice of redemption shall not be given earlier than 90 days before the earliest date on which we would be obligated to pay such additional amounts if a payment in respect of the notes was then due.

Prior to the mailing or delivery of any notice of redemption pursuant to this section “Redemption for Tax Reasons,” in the case of a redemption for the reasons specified in clause (i) or (ii) above, we will deliver to the trustee and the paying agent:

(a) an Officers’ Certificate stating that we are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to our right to so redeem have occurred, and

(b) a written opinion of independent tax counsel of nationally recognized standing to the effect that we have or will become obligated to pay such additional amounts as a result of such change or amendment or that there is a material probability that we will be required to pay additional amounts as a result of such action, change, amendment, clarification, application or interpretation, as the case may be.

Unless we default in payment of the redemption price, on and after the redemption date, the notes will cease to bear interest and all rights under the notes shall terminate.

**Change of Control**

Upon the occurrence of a change of control triggering event (as defined below), unless we have mailed a notice of redemption with respect to all outstanding notes as described above under “Optional Redemption” and redeem all notes validly tendered pursuant to such redemption notice, each holder shall have the right to require that the Company repurchase such holder’s notes, in whole or in part (in an aggregate principal amount equal to €100,000 or an integral multiple of €1,000 in excess thereof), at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date occurring on or prior to the date of purchase).

Within 30 days following any change of control triggering event, unless we have previously or concurrently mailed a redemption notice with respect to all outstanding notes as described under “Optional Redemption,” we will mail by first-class mail, or deliver electronically if the notes are held by a depositary, a notice to each registered holder of the notes with a copy to the trustee and the paying agent (the “change of control offer”) stating:

1. that a change of control triggering event has occurred and that such holder has the right to require us to purchase such holder’s notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest on an interest payment date occurring on or prior to the date of purchase);

2. the circumstances and relevant facts regarding such change of control triggering event;

3. the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed);
(4) if the notice is mailed prior to a change of control, that the change of control offer is conditioned on the change of control occurring; and

(5) the instructions, as determined by us, consistent with the covenant described hereunder, that a holder must follow in order to have its notes purchased.

We will not be required to make a change of control offer following a change of control triggering event if a third party makes the change of control offer in the manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a change of control offer made by us and purchases all notes validly tendered and not withdrawn under such change of control offer.

A change of control offer may be made in advance of a change of control, be conditional upon such change of control, if a definitive agreement is in place for the change of control at the time of making of the change of control offer.

We will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes as a result of a change of control triggering event. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, we will comply with the applicable securities laws and regulations and shall not be deemed to have breached our obligations under the covenant described hereunder by virtue of our compliance with such securities laws or regulations.

For purposes of this section “Change of Control,” the following definitions are applicable:

“board of directors” means the board of directors of the Company or any committee thereof duly authorized to act on behalf of such board or, in the case of a person that is not a corporation, the group exercising the authority generally vested in a board of directors of a corporation.

“change of control” means the occurrence of any one of the following:

1. any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more permitted holders, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the voting stock of the Company;

2. individuals who on the date the notes are originally issued constituted the board of directors (together with any new directors whose election by such board of directors or whose nomination for election by the shareholders of the Company was approved or ratified by a vote of a majority of the directors of the Company then still in office who were either directors on the date the notes are originally issued or whose election or nomination for election was previously so approved or ratified) cease for any reason to constitute a majority of the board of directors then in office;

3. the adoption of a plan relating to the liquidation or dissolution of the Company; or

4. the merger or consolidation of the Company with or into another person or the merger of another person with or into the Company, or the sale of all or substantially all the assets of the Company (determined on a consolidated basis) to another person other than (i) a transaction in which the survivor or transference is a person that is controlled by the permitted holders or (ii) a transaction following which (A) in the case of a merger or consolidation transaction, holders of securities that represented 100% of the voting stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the voting stock of the surviving person in such merger or consolidation transaction immediately after
such transaction and (B) in the case of a sale of assets transaction, each transferee becomes an obligor in respect of the notes and either (i) each transferee becomes a subsidiary of the transferor of such assets or (ii) holders of securities that represented 100% of the voting stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such transaction) own directly or indirectly at least a majority of the voting power of the voting stock of the transferee.

Notwithstanding the foregoing, a transaction will not be deemed to involve a change of control if (1) the Company becomes a direct or indirect wholly-owned subsidiary (the “sub entity”) of a holding company and (2) holders of securities that represented 100% of the voting stock of the Company immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction) own directly or indirectly at least a majority of the voting power of the voting stock of such holding company; provided that, upon the consummation of any such transaction, “change of control” shall thereafter include any change of control of any direct or indirect parent of the sub entity.

“change of control triggering event” means the occurrence of both a change of control and a ratings event.


“investment grade” means a rating of Baa3 or better by Moody’s (or its equivalent under any successor rating category of Moody’s); a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P); a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch); and the equivalent investment grade credit rating from any replacement rating agency or rating agencies appointed by us.

“Liberty Successor” means any person spun or otherwise separated out of Liberty Interactive Corporation (or any subsidiary thereof), provided no person who is not a permitted holder is the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the voting stock of such person.


“permitted holders” means Barry Diller, Liberty Interactive Corporation, any Liberty Successor and their respective affiliates and any group (as such term is used in Section 13(d) and 14(d) of the Exchange Act) with respect to which any such persons collectively exercise a majority of the voting power.

“rating agency” means each of Moody’s, S&P and Fitch; provided, that if any of Moody’s, S&P or Fitch ceases to rate the notes or fails to make a rating of the notes publicly available, we will appoint a replacement for such rating agency that is a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act.

“ratings event” means ratings of the notes are lowered by at least two of the three rating agencies and the notes are rated below investment grade by at least two of the three rating agencies in any case on any day during the period (the “trigger period”) commencing on the date 60 days prior to the first public announcement by us of any change of control (or pending change of control) and ending 60 days following consummation of such change of control (which trigger period will be extended for so long as the rating of the notes is under publicly announced consideration for a possible downgrade by any of the rating agencies).

“voting stock” of a person means all classes of equity securities of such person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

Covenants

Limitation on Liens

We will not directly or indirectly incur, and will not permit any of our subsidiaries to directly or indirectly incur, certain indebtedness for borrowed money secured by a mortgage, security interest, pledge, lien, charge or other similar encumbrance (collectively, “liens”) upon (a) any properties or assets, including capital stock, of our company or any of our subsidiaries or (b) any shares of stock or indebtedness of any of our subsidiaries (whether such property, assets, shares or indebtedness are now existing or owned or hereafter created or acquired), in each case, unless prior to or at the same time, the notes or, in respect of liens on any property or assets of any subsidiary guarantor, its guarantee (together with, at our option, any other indebtedness or guarantees of our company or any of our subsidiaries ranking equally in right of payment with the notes or such guarantee) are equally and ratably secured with or, at our option, prior to, such secured indebtedness.

The foregoing restriction does not apply to:

(1) liens on property, shares of stock or indebtedness of any person existing at the time such person becomes our subsidiary, provided that such lien was not incurred in anticipation of such person becoming a subsidiary,

(2) liens on property, shares of stock or indebtedness existing at the time of acquisition by us or any of our subsidiaries or a subsidiary of any of our subsidiaries of such property, shares of stock or indebtedness (which may include property previously leased by us or any of our subsidiaries and leasehold interests on such property, provided that the lease terminates prior to or upon the acquisition) or liens on property, shares of stock or indebtedness to secure the payment of all or any part of the purchase price of such property, shares of stock or indebtedness, or liens on property, shares of stock or indebtedness to secure any indebtedness for borrowed money incurred prior to, at the time of, or within 18 months after, the latest of the acquisition of such property, shares of stock or indebtedness or, in the case of property, the completion of construction, the completion of improvements or the commencement of substantial commercial operation of such property for the purpose of financing all or any part of the purchase price of the property, the construction or the making of the improvements,

(3) liens securing indebtedness of any of our subsidiaries or of us owing to us or any of our subsidiaries,

(4) liens existing on the date of the initial issuance of the notes (other than any additional notes),

(5) liens on property or assets of a person existing at the time such person is merged into or consolidated with us or any of our subsidiaries, at the time such person becomes our subsidiary, or at the time of a sale, lease or other disposition of all or substantially all of the properties or assets of a person to us or any of our subsidiaries, provided that such lien was not incurred in anticipation of the merger, consolidation, or sale, lease, other disposition or other such transaction,

(6) liens created in connection with a project financed with, and created to secure, a nonrecourse obligation,

(7) liens securing the notes (including any additional notes) or the guarantees of the subsidiary guarantors under the indenture, or
any extensions, renewals or replacements of any lien referred to in clauses (1) through (7) without increase of the principal of the indebtedness secured by such lien; provided, however, that any liens permitted by any of clauses (1) through (7) shall not extend to or cover any property of the Company or any of our subsidiaries, as the case may be, other than the property specified in such clauses and improvements to such property.

Notwithstanding the restrictions set forth in the preceding paragraph, we and our subsidiaries will be permitted to incur indebtedness secured by a lien which would otherwise be subject to the foregoing restrictions without equally and ratably securing the notes or, in respect of liens on property or assets of any subsidiary guarantors, their guarantees, if any, provided that, after giving effect to such indebtedness, the aggregate amount of all indebtedness secured by liens (not including liens permitted under clauses (1) through (8) above), together with all attributable debt outstanding pursuant to the second paragraph of “Limitation on Sale and Lease-Back Transactions” described below, does not at the time exceed 10% of our consolidated net assets.

Limitation on Sale and Lease-Back Transactions

We will not directly or indirectly, and will not permit any of our subsidiaries directly or indirectly to, enter into any sale and lease-back transaction for the sale and leasing back of any property, whether now owned or hereafter acquired, unless:

1. such transaction was entered into prior to the date of the initial issuance of the notes,
2. such transaction was for the sale and leasing back to us of any property by one of our Subsidiaries,
3. such transaction involves a lease for not more than three years (or which may be terminated by us within a period of not more than three years),
4. we would be entitled to incur indebtedness secured by a lien with respect to such sale and lease-back transaction without equally and ratably securing the notes pursuant to the second paragraph of “Limitation on Liens” described above, or
5. we apply an amount equal to the net proceeds from the sale of such property to the purchase of other property or assets used or useful in our business or to the retirement of long-term indebtedness within 270 days before or after the effective date of any such sale and lease-back transaction; provided that, in lieu of applying such amount to the retirement of long-term indebtedness, we may deliver notes to the trustee for cancellation, such notes to be credited at the cost thereof to us.

Notwithstanding the restrictions set forth in the preceding paragraph, we and our subsidiaries may enter into any sale and lease-back transaction which would otherwise be subject to the foregoing restrictions, if after giving effect thereto the aggregate amount of all attributable debt with respect to such transactions, together with all indebtedness outstanding pursuant to the third paragraph of “Limitation on Liens” described above, does not at the time exceed 10% of our consolidated net assets.

Merger, Consolidation or Sale of Assets

We and any subsidiary guarantor, if any, may, without the consent of the holders of any outstanding notes (including any additional notes), consolidate with or sell, lease or convey all or substantially all of our or its properties or assets to, or merge with or into, any other person, provided that:

1. we or, in the case of any subsidiary guarantor, such subsidiary guarantor is the continuing person or, alternatively, the successor person formed by or resulting from such consolidation or merger, or the person which receives the transfer of such properties or assets, is organized under
the laws of any state or other jurisdiction in the United States and expressly assumes our obligations or the obligations of such subsidiary guarantor, as the case may be, under the notes or such subsidiary guarantor’s guarantee (provided that such person need not assume the obligations of any such subsidiary guarantor if such person (A) is already a subsidiary guarantor or (B) would not, after giving effect to such transaction, be required to guarantee the notes under the requirements described in “Guarantees” above),

(2) immediately after giving effect to such transaction, no event of default and no event which, after notice or the lapse of time, or both, would become such an event of default has occurred and is continuing, and

(3) an officers’ certificate and legal opinion are delivered to the trustee, each stating that the consolidation, merger, conveyance or transfer complies with clauses (1) and (2) above.

The successor person will succeed to, and be substituted for, us or the subsidiary guarantor and may exercise all of our or the subsidiary guarantor’s rights and powers under the indenture. We or such subsidiary guarantor will be relieved of all obligations and covenants under the notes, the guarantees, if any, and the indenture to the extent we or such subsidiary guarantor was the predecessor person, provided that in the case of a lease of all or substantially all of our properties or assets, we will not be released from the obligation to pay the principal of and premium, if any, and interest on the notes.

Notwithstanding any provision to the contrary, this covenant will not apply to any merger or consolidation of a subsidiary guarantor into us or any other subsidiary guarantor or to any subsidiary guarantor upon any termination of the guarantee of that subsidiary guarantor in accordance with the indenture.

Events of Default

Each of the following is an “event of default” under the indenture:

(1) a default in any payment of interest on any note when due, which continues for 30 days,

(2) a default in the payment of principal of or premium, if any, on any note when due at its stated maturity date, upon optional redemption or otherwise,

(3) a failure by us or any subsidiary guarantor to comply with our or its other agreements contained in the indenture, which continues for 90 days after written notice thereof to us by the trustee or to us and the trustee by the holders of not less than 25% in principal amount of outstanding notes (including any additional notes),

(4) (a) failure to make any payment at maturity, including any applicable grace period, on any indebtedness of our company or any subsidiary (other than indebtedness of us or of a subsidiary owing to us or any of our subsidiaries) in an amount in excess of $35,000,000 and continuance of this failure to pay or (b) a default on any indebtedness of our company or any subsidiary (other than indebtedness owing to us or any of our subsidiaries), which default results in the acceleration of such indebtedness in an amount in excess of $35,000,000 without such indebtedness having been discharged or the acceleration having been cured, waived, rescinded or annulled, in the case of clause (a) or (b) above, for a period of 30 days after written notice thereof to us by the trustee or to us and the trustee by the holders of not less than 25% in principal amount of outstanding notes (including any additional notes); provided, however, that if any failure, default or acceleration referred to in clause (a) or (b) above ceases or is cured, waived, rescinded or annulled, then the event of default will be deemed cured,

(5) the guarantees of any subsidiary guarantor guaranteeing the notes cease to be in full force and effect or such subsidiary guarantor denies or disaffirms in writing its obligations under the
indenture or its guarantees, in each case, other than any such cessation, denial or disaffirmation in connection with a termination of its guarantees provided for in the indenture, and

(6) various events in bankruptcy, insolvency or reorganization involving us or any subsidiary guarantor guaranteeing the notes.

The foregoing will constitute an event of default whatever the reason for any such event of default and whether it is voluntary or involuntary or is effected by operation of any law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body. Any payment in respect of the notes made in U.S. dollars as set forth above under “Interest and Maturity” will not constitute an event of default under the notes or the indenture.

If an event of default occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding notes (including any additional notes) by notice to us may declare the principal of, and premium, if any, and accrued and unpaid interest on, all notes to be due and payable. Upon this declaration, principal and premium, if any, and interest will be immediately due and payable. If an event of default relating to certain events of bankruptcy, insolvency or reorganization of us or any subsidiary guarantor occurs and is continuing, the principal of and premium, if any, and accrued interest on all notes (including any additional notes) will become immediately due and payable without any declaration or other act on the part of the trustee or any holders. Under some circumstances, the holders of a majority in aggregate principal amount of the outstanding notes (including any additional notes) may rescind any acceleration with respect to the notes and its consequences.

If an event of default occurs and is continuing, the trustee, in conformity with its duties under the indenture, will exercise all rights or powers under the indenture at the request or direction of any of the holders, provided that the holders provide the trustee with indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no holder of notes may pursue any remedy with respect to the indenture or the notes unless:

(1) the holder previously notified the trustee that an event of default is continuing,

(2) holders of at least 25% in aggregate principal amount of the outstanding notes (including any additional notes) requested the trustee to pursue the remedy,

(3) the requesting holders offered the trustee security or indemnity satisfactory to it against any loss, liability or expense,

(4) the trustee has not complied with the holder’s request within 60 days after the receipt of the request and the offer of security or indemnity, and

(5) the holders of a majority in principal amount of the outstanding notes (including any additional notes) have not given the trustee a direction inconsistent with the request within the 60-day period.

Generally, the holders of a majority in principal amount of the outstanding notes (including any additional notes) will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or of exercising any trust or power conferred on the trustee. The trustee may, however, refuse to follow any direction that conflicts with law or the indenture or that the trustee determines is unduly prejudicial to the rights of any other holder or that would involve the trustee in personal liability.

If a default occurs and is continuing and is known to the trustee, the trustee must mail to each holder notice of the default within 90 days after it is known to the trustee. Except in the case of a default in the payment of principal or premium, if any, or interest on any note, the trustee may withhold notice if the trustee determines in good faith that withholding notice is not opposed to the interests of the holders.
We are also required to deliver to the trustee, within 120 days after the end of each fiscal year, an officers’ certificate indicating whether the signers of the certificate know of any default that occurred during the previous year. In addition, we will be required to notify the trustee within 30 days of any event which would constitute various defaults, their status and what action we are taking or propose to take in respect of these defaults.

**Definitions**

The indenture contains the following defined terms:

“attributable debt” means, with respect to any sale and lease-back transaction, at the time of determination, the lesser of (1) the sale price of the property so leased multiplied by a fraction the numerator of which is the remaining portion of the base term of the lease included in such transaction and the denominator of which is the base term of such lease, and (2) the total obligation (discounted to present value at the implicit interest factor, determined in accordance with GAAP, included in the rental payments) of the lessee for rental payments (other than amounts required to be paid on account of property taxes as well as maintenance, repairs, insurance, water rates and other items which do not constitute payments for property rights) during the remaining portion of the base term of the lease included in such transaction.

“consolidated net assets” means, as of the time of determination, the aggregate amount of our assets and the assets of our consolidated subsidiaries after deducting all current liabilities other than (1) short-term borrowings, (2) current maturities of long-term debt and (3) current maturities of obligations under capital leases, as reflected on our most recent consolidated balance sheet prepared in accordance with GAAP at the end of the most recently completed fiscal quarter or fiscal year, as applicable.

“control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ability to exercise voting power, by contract or otherwise. A person shall be deemed to control another person if such person (1) is an officer or director of the other person or (2) directly or indirectly owns or controls 10% or more of the other person’s capital stock. The terms “controlling” and “controlled” have meanings correlative thereto.

“domestic subsidiary” means a subsidiary other than a foreign subsidiary.


“foreign subsidiary” means (1) any subsidiary that is not (a) formed under the laws of the United States of America or a state or territory thereof or (b) treated as a domestic entity or a partnership or a division of a domestic entity for U.S. tax purposes or (2) any subsidiary that is (a) a domestic partnership or disregarded entity for U.S. tax purposes and (b) owned by a subsidiary described in (1).

“GAAP” means generally accepted accounting principles in the United States of America in effect from time to time.

“government obligations” means (1) direct obligations of the Federal Republic of Germany, where the payment or payments thereunder are supported by the full faith and credit of the Federal Republic of Germany or (2) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the Federal Republic of Germany, where the timely payment or payments thereunder are unconditionally guaranteed as a full faith and credit obligation by the Federal Republic of Germany, which, in either case under clauses (1) or (2) are not callable or redeemable at the option of the issuer thereof, and shall also include a depositary receipt issued by a bank or trust company as custodian with respect to any such government obligations or a specific payment of interest on or principal of or other amount with respect to any such government obligations held by such custodian for the account of the holder of a depositary receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Government Obligations or the specific payment of interest on or principal of or other amount with respect to the Government Obligations evidenced by such depositary receipt.
“guarantee” means any obligation, contingent or otherwise, of any person directly or indirectly guaranteeing any indebtedness of any other person and any obligation, direct or indirect, contingent or otherwise, of such person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such indebtedness of such other person (whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term “guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee,” when used as a verb, has a correlative meaning.

“holder” means the person in whose name a note is registered on the security register books.

“incur” means issue, assume, guarantee or otherwise become liable for.

“indebtedness” means, with respect to any person, obligations (other than nonrecourse obligations) of such person for borrowed money (including, without limitation, indebtedness for borrowed money evidenced by notes, bonds, debentures or similar instruments).

“nonrecourse obligation” means indebtedness or other obligations substantially related to (1) the acquisition of assets not previously owned by us, any subsidiary guarantor or any of our other direct or indirect Subsidiaries or (2) the financing of a project involving the development or expansion of properties of our company, any subsidiary guarantor or any of our other direct or indirect subsidiaries, as to which the obligee with respect to such indebtedness or obligation has no recourse to us, any subsidiary guarantor or any of our other direct or indirect Subsidiaries or any of our subsidiary guarantor’s or such subsidiary’s assets other than the assets which were acquired with the proceeds of such transaction or the project financed with the proceeds of such transaction (and the proceeds thereof).

“person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“subsidiary” means, with respect to any person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of that date, as well as any other corporation, limited liability company, partnership, association or other entity (1) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of that date, owned, controlled or held or (2) that is, as of that date, otherwise controlled (within the meaning of the first sentence of the definition of “control”) by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“subsidiary guarantors” means those subsidiaries of the Company that guarantee the notes.

**Modifications and Waivers**

Modification and amendments of the indenture and the notes may be made by the Company, the subsidiary guarantors and the trustee with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding notes affected thereby; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding note affected thereby:

- change the stated maturity of the principal of, or installment of interest on, any note;
- reduce the principal amount of, or the rate of interest on, any notes;
• reduce any premium, if any, payable on the redemption of any note or change the date on which any note may or must be redeemed or repaid (for the avoidance of doubt, the definitions set forth above under “Change of Control” may be amended or modified at any time prior to the occurrence of a change of control with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding notes affected thereby);

• change the coin or currency in which the principal of, premium, if any, or interest on any note is payable;

• release the guarantees of any subsidiary guarantor (except as otherwise provided in the indenture) or make any changes to such guarantees in a manner adverse to the holders;

• impair the right of any holder to institute suit for the enforcement of any payment on or after the stated maturity of any note;

• reduce the percentage in principal amount of the outstanding notes, the consent of whose holders is required in order to take certain actions;

• reduce the requirements for quorum or voting by holders of notes in the indenture or the notes;

• modify any of the provisions in the indenture regarding the waiver of past defaults and the waiver of certain covenants by the holders of notes except to increase any percentage vote required or to provide that certain other provisions of the indenture cannot be modified or waived without the consent of the holder of each note affected thereby; or

• modify any of the above provisions.

The Company, the subsidiary guarantors and the trustee may, without the consent of any holders, modify or amend the terms of the indenture and the notes with respect to the following:

• to cure any ambiguity, omission, defect or inconsistency;

• to evidence the succession of another person to the Company or any subsidiary guarantor and the assumption by any such successor of the obligations of the Company or such subsidiary guarantor, as described above under “Covenants-Merger, Consolidation or Sale of Assets;

• to add any additional events of default;

• to add to our covenants for the benefit of holders of the notes or to surrender any right or power conferred upon us;

• to add one or more guarantees for the benefit of holders of the notes;

• to evidence the release of any subsidiary guarantor from its guarantee of the notes pursuant to the terms of the indenture;

• to add collateral security with respect to the notes;

• to add or appoint a successor or separate trustee or other agent;

• to provide for the issuance of any additional notes;

• to comply with any requirement in connection with the qualification of the indenture under the Trust Indenture Act of 1939, as amended;
• to comply with the rules of any applicable securities depository;
• to provide for uncertificated notes in addition to or in place of certificated notes;
• to conform the text of the indenture, the notes or any guarantees to any provision of the “Description of Notes” section of the prospectus supplement to the extent that such provision was intended to set forth, verbatim or in substance, a provision of the indenture, the notes or the guarantees; and
• to make any change if the change does not adversely affect the interests of any holder of notes.

The holders of at least a majority in aggregate principal amount of the notes may, on behalf of the holders of all notes, waive compliance by the Company with certain restrictive provisions of the indenture. The holders of no less than a majority in aggregate principal amount of the outstanding notes may, on behalf of the holders of all notes, waive any past default and its consequences under the indenture with respect to the notes, except a default (1) in the payment of principal or premium, if any, or interest on notes or (2) in respect of a covenant or provision of the indenture that cannot be modified or amended without the consent of the holder of each note. Upon any such waiver, such default shall cease to exist, and any event of default arising therefrom shall be deemed to have been cured, for every purpose of the indenture; but no such waiver shall extend to any subsequent or other default or event of default or impair any rights consequent thereon.

Satisfaction and Discharge

We may discharge our obligations under the indenture while notes remain outstanding if the notes either have become due and payable or will become due and payable within one year (or scheduled for redemption within one year) by depositing with the trustee, in trust, funds in euros, government obligations or both in an amount sufficient to pay the entire indebtedness including the principal, premium, if any, and interest to the date of such deposit (if the notes have become due and payable) or to the maturity thereof or the date of redemption of the notes, as the case may be and paying all other amounts payable under the indenture.

Defeasance and Covenant Defeasance

We may elect either (1) to defease and be discharged from any and all obligations with respect to the notes (except for, among other things, certain obligations to register the transfer or exchange of the notes, to replace temporary or mutilated, destroyed, lost or stolen notes, to maintain an office or agency with respect to the notes and to hold moneys for payment in trust) (“legal defeasance”) or (2) to be released from our obligations to comply with the restrictive covenants under the indenture, and any omission to comply with such obligations will not constitute a default or an event of default with respect to the notes and clauses (3), (4) and (5) under “Events of Default” will no longer be applied (“covenant defeasance”). Legal defeasance or covenant defeasance, as the case may be, will be conditioned upon, among other things, the irrevocable deposit by us with the trustee, in trust, of an amount in euros, government obligations or both, applicable to the notes which through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal, premium, if any, and interest on the notes on the scheduled due dates therefor.

If we effect legal defeasance or covenant defeasance with respect to the notes, the subsidiary guarantors shall automatically be released from their guarantee obligations under the indenture.

If we effect covenant defeasance with respect to the notes and the notes are declared due and payable because of the occurrence of any event of default other than under clauses (3), (4) and (5) of “Events of Default,” the amount in euros, government obligations or both, on deposit with the trustee will be sufficient, in the opinion of a nationally recognized firm of independent accountants, to pay amounts due on the notes at the time of the stated maturity but may not be sufficient to pay amounts due on the notes at the time of the acceleration resulting from such event of default. However, we would remain liable to make payment of such amounts due at the time of acceleration.
To effect legal defeasance or covenant defeasance, we will be required to deliver to the trustee an opinion of counsel that the deposit and related defeasance will not cause the holders and beneficial owners of the notes to recognize income, gain or loss for federal income tax purposes. If we elect legal defeasance, that opinion of counsel must be based upon a ruling from the U.S. Internal Revenue Service or a change in law to that effect.

We may exercise our legal defeasance option notwithstanding our prior exercise of our covenant defeasance option.

**Governing Law**

The indenture and the notes are governed by, and construed in accordance with, the laws of the State of New York.

**Regarding the Trustee**

The Bank of New York Mellon Trust Company, N.A. is the trustee under the indenture and has also been appointed by the Company to act as Registrar and transfer agent for the notes. The Bank of New York Mellon, London Branch, has been appointed by the Company to act as paying agent for the notes. From time to time, the trustee and its affiliates perform various other services for the Company and its affiliates. The indenture contains limitations on the rights of the trustee, if it becomes a creditor of the Company or any subsidiary guarantor, to obtain payment of claims in some cases, or to realize on property received in respect of any of these claims as security or otherwise. The trustee is permitted to engage in other transactions. However, if the trustee acquires any conflicting interest, it must either eliminate its conflict within 90 days, apply to the SEC for permission to continue or resign.

**Book-Entry, Delivery and Form**

We issued the notes in the form of global notes (the "global notes") in definitive, fully registered, book-entry form without coupons. The global notes were deposited with a common depositary (and registered in the name of its nominee) for, and in respect of interests held through, Clearstream Banking, société anonyme, which we refer to as “Clearstream,” or Euroclear Bank S.A./N.V., which we refer to as “Euroclear.” Except as described herein, certificates will not be issued in exchange for beneficial interests in the global notes.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to a common depository for Clearstream and Euroclear or its nominees. No link is expected to be established among The Depository Trust Company and Clearstream or Euroclear in connection with the issuance of the notes.

Beneficial interests in the global notes are represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in Clearstream or Euroclear. Those beneficial interests are in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Should certificates be issued to individual holders of the notes, a holder of notes who, as a result of trading or otherwise, holds a principal amount of notes that is less than the minimum denomination of notes is required to purchase an additional principal amount of notes such that its holding of notes amounts to the minimum specified denomination. Investors may hold interests in the global notes through Clearstream or Euroclear either directly if they are participants in such systems or indirectly through organizations that are participants in such systems.

Except as set forth in the indenture, owners of beneficial interests in the global notes are not entitled to have notes registered in their names, and will not receive and are not entitled to receive physical delivery of notes in definitive form. Except as provided below, beneficial owners are not considered the owners or holders of the notes under the indenture. Accordingly, each beneficial owner must rely on the procedures of the clearing systems and, if such person is not a participant of the clearing systems, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the indenture. Under existing industry practices, if we request any action of holders or a beneficial owner desires to give or take any action which a holder is entitled to give or take under the indenture, the clearing systems would authorize their participants holding the relevant beneficial interests to give or take action and the participants would authorize beneficial owners owning through the
participants to give or take such action or would otherwise act upon the instructions of beneficial owners. Conveyance of notices and other communications by the clearing systems to their participants, by the participants to indirect participants and by the participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Persons who are not Euroclear or Clearstream participants may beneficially own notes held by the common depositary for Euroclear and Clearstream only through direct or indirect participants in Euroclear and Clearstream.
SIXTH AMENDMENT dated as of December 13, 2021 (this “Amendment”), to the AMENDED AND RESTATED CREDIT AGREEMENT dated as of May 5, 2020 (as heretofore amended, supplemented or otherwise modified, the “Credit Agreement”), among EXPEDIA GROUP, INC., a Delaware corporation (the “Company”), the BORROWING SUBSIDIARIES from time to time party thereto, the LENDERS from time to time party thereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent and London Agent.

WHEREAS, the Lenders have agreed to extend credit to the Borrowers under the Credit Agreement on the terms and subject to the conditions set forth therein;

WHEREAS, a Benchmark Transition Event has occurred with respect to the LIBO Rate for Loans denominated in Sterling, and pursuant to Section 2.14(b)(i) of the Credit Agreement, the Administrative Agent and the Company desire to implement certain amendments to the Credit Agreement to replace, with respect to Loans denominated in Sterling, the LIBO Rate with Adjusted Daily Simple SONIA, together with the related Benchmark Replacement Conforming Changes;

WHEREAS, the Company has requested that the Lenders agree to effect certain other amendments to the Credit Agreement as set forth herein; and

WHEREAS, the parties hereto, which include Lenders constituting the Required Lenders as of the Sixth Amendment Effective Date (as defined below), are willing to amend the Credit Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein (including in the preamble and the recitals hereto) have the meanings assigned to them in the Credit Agreement (as amended hereby).

SECTION 2. Amendment of Credit Agreement. Effective as of the Sixth Amendment Effective Date:

(a) The Credit Agreement (excluding any of the Exhibits or Schedules thereto (other than as provided in paragraph (b) below)) is hereby amended by deleting the language indicated by strikethrough text (indicated textually in the same manner as the following example: stricken text) and by inserting the language indicated in double underlined text (indicated textually in the same manner as the following example: double-underlined text), all as set forth in the pages of the Credit Agreement attached as Exhibit A hereto and made a part hereof.
(b) Exhibit B to the Credit Agreement is hereby amended and restated to be in the form of Exhibit B attached hereto and made a part hereof.

SECTION 3. Representations and Warranties. The Company and each Borrowing Subsidiary represents and warrants to the Lenders that:

(c) This Amendment has been duly executed and delivered by the Company and each Borrowing Subsidiary and (assuming due execution by the parties hereto other than the Company and the Borrowing Subsidiaries) constitutes a legal, valid and binding obligation of the Company and each Borrowing Subsidiary, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(d) Before and after giving effect to this Amendment, the representations and warranties set forth in Article III of the Credit Agreement are true and correct in all material respects (in all respects in the case of representations and warranties qualified by materiality in the text thereof) on and as of the Sixth Amendment Effective Date with the same effect as if made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they were so true and correct as of such earlier date.

(e) As of the Sixth Amendment Effective Date, before and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

SECTION 4. Effectiveness. This Amendment shall become effective as of the first date (the “Sixth Amendment Effective Date”) on which the Administrative Agent shall have signed a counterpart of this Amendment and shall have received from the Company, each Borrowing Subsidiary, each other Loan Party and Lenders constituting at least the Required Lenders a counterpart of this Amendment executed by such Person (which, subject to Section 9.06(b) of the Credit Agreement, may include any Electronic Signatures transmitted by fax, emailed pdf or any other electronic means that reproduces an image of an actual executed signature page of this Amendment). The Administrative Agent shall notify the Company, the Lenders and the Issuing Banks of the Sixth Amendment Effective Date, and such notice shall be conclusive and binding.

SECTION 5. Reaffirmation of Guarantee and Security. Each of the Company, the Borrowing Subsidiaries and the other Loan Parties party hereto, by its signature below, hereby (a) agrees that, notwithstanding the effectiveness of this Amendment and the transactions contemplated hereby, the Guarantee Agreement and the Security Documents continue to be in full force and effect and (b) affirms and confirms its Guarantee of the Secured Obligations and the pledge of and/or grant of a security interest in its assets as Collateral to secure the Secured Obligations, all as provided in the Guarantee Agreement and the Security Documents, as applicable, and acknowledges and agrees that such Guarantee, pledge and/or grant continue in full force and effect in respect of, and to
secure, the Secured Obligations under the Credit Agreement and the other Loan Documents.

SECTION 6. Effect of this Amendment. (a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Agents, the Issuing Banks or the Lenders under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to any other consent to, or any other waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

(b) On and after the Sixth Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “herein”, “hereunder”, “hereto”, “hereof” and words of similar import shall, unless the context otherwise requires, refer to the Credit Agreement as amended hereby, and each reference to the Credit Agreement in any other Loan Document shall be deemed to be a reference to the Credit Agreement as amended hereby. This Amendment shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 7. Applicable Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 8. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which, when taken together, shall constitute a single instrument.

SECTION 9. Fees and Expenses. The Company agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Amendment, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent. All fees shall be payable in immediately available funds and shall not be refundable.

SECTION 10. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

SECTION 11. Incorporation by Reference. The provisions of Sections 9.06(b), 9.07, 9.09(b), 9.09(c), 9.09(d), 9.10 and 9.11 of the Credit Agreement are hereby incorporated by reference as if set forth in full herein, mutatis mutandis.
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

EXPEDIA GROUP, INC.
   by:
   /s/ MICHAEL MARRON
   Name: Michael S. Marron
   Title: Senior Vice President, Legal and Assistant Secretary

EXPEDIA, INC.
   by:
   /s/ MICHAEL MARRON
   Name: Michael S. Marron
   Title: Senior Vice President, Legal and Assistant Secretary

TRAVELSCAPE, LLC
   by:
   /s/ MICHAEL MARRON
   Name: Michael S. Marron
   Title: Senior Vice President, Legal and Assistant Secretary

HOTWIRE, INC.
   by:
   /s/ MICHAEL MARRON
   Name: Michael S. Marron
   Title: Senior Vice President, Legal and Assistant Secretary
HOTELS.COM, L.P.
EAN.COM, LP
INTERACTIVE AFFILIATE NETWORK, LLC
EXPEDIA LX PARTNER BUSINESS, INC.
WWTE, INC.
CARRENTALS.COM, INC.
CRUISE, LLC
ORBITZ WORLDWIDE, INC.
O HOLDINGS INC.
ORBITZ FINANCIAL CORP.
ORBITZ FOR BUSINESS, INC.
ORBITZ, INC.
TRIP NETWORK, INC.
ORBITZ, LLC
ORBITZ WORLDWIDE, LLC
HOMEAWAY SOFTWARE, INC.
HOMEAWAY.COM, INC.
BEDANDBREAKFAST.COM, INC.
VRBO HOLDINGS, INC.
EXPEDIA GROUP COMMERCE, INC.
HIGHER POWER NUTRITION COMMON HOLDINGS, LLC
LEMS I LLC
LIBERTY PROTEIN, INC.

by:

/s/ MICHAEL MARRON
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary
HOTELS.COM GP, LLC
HRN 99 HOLDINGS, LLC
by:
  /s/ MICHAEL MARRON
  Name:    Michael S. Marron
  Title:   Manager

LEMS I LLC, a Delaware limited liability company, on behalf of
LEXE MARGINCO, LLC, and
LEXEB, LLC
by:
  /s/ MICHAEL MARRON
  Name:    Michael S. Marron
  Title:   Manager
JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent,

by:

/s/ JOHN KOWALCZUK
Name: John Kowalczuk
Title: Executive Director
Name of Institution: Bank of America, N.A.

by:

/s/ ERIC RIDGWAY  
Name: Eric Ridgway  
Title: Director

Name of Institution: BNB PARIBAS

by:

/s/ BARBARA NASH  
Name: Barbara Nash  
Title: Managing Director

Name of Institution: BNB PARIBAS

by:

/s/ MARIA MULIC  
Name: Maria Mulic  
Title: Managing Director

Name of Institution: Mizuho Bank, Ltd.

by:

/s/ TRACY RAHN  
Name: Tracy Rahn  
Title: Executive Director

Name of Institution: HSBC BANK USA, NATIONAL ASSOCIATION

by:

/s/ ERIC BALTAZAR  
Name: Eric A. Baltazar  
Title: Vice President

Name of Institution: MUFG Bank, Ltd.

by:

/s/ JOSEPH SIRI  
Name: Joseph Siri  
Title: Vice President
Name of Institution: Royal Bank of Canada

by:

/s/ REHAN ALI
Name: Rehan Ali
Title: Vice President, Corporate Client Group

Name of Institution: U.S. Bank National Association

by:

/s/ STEVEN SAWYER
Name: Steven L. Sawyer
Title: Senior Vice President

Name of Institution: THE BANK OF NOVA SCOTIA

by:

/s/ TODD KENNEDY
Name: Todd Kennedy
Title: Managing Director

Name of Institution: Goldman Sachs Bank USA

by:

/s/ MAHESH MOHAN
Name: Mahesh Mohan
Title: Authorized Signatory

Name of Institution: Standard Chartered Bank

by:

/s/ KRISTOPHER TRACY
Name: Kristopher Tracy
Title: Director, Financing Solutions
Exhibit A

Amendments to Credit Agreement

[See attached.]
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AMENDED AND RESTATED CREDIT AGREEMENT dated as of the Restatement Effective Date, among EXPEDIA GROUP, INC., a Delaware corporation; the BORROWING SUBSIDIARIES from time to time party hereto; the LENDERS from time to time party hereto; and JPMORGAN CHASE BANK, N.A., as Administrative Agent and London Agent.

The parties hereto agree as follows:

ARTICLE I
Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, shall bear interest at a rate determined by reference to the Alternate Base Rate.

“Acquisition” means any acquisition, or series of related acquisitions (including pursuant to any merger or consolidation), of property that constitutes (a) assets comprising all or substantially all of a division, business or operating unit or product line of any Person or (b) at least a majority of the Equity Interests in a Person.

“Adjusted Daily Simple SONIA” means, with respect to any Borrowing or LC Disbursement denominated in Sterling, an interest rate per annum equal to (a) the Daily Simple SONIA plus (b)(i) in the case of any such Borrowing, 0.0326% or (ii) in the case of any such LC Disbursement, -0.0024%; provided that if such rate shall be less than zero, such rate shall be deemed to be zero.

“Adjusted LIBO Rate” means, with respect to any Eurocurrency Borrowing denominated in US Dollars for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1% (with 0.005% being rounded up)) equal to the product of (a) the LIBO Rate for US Dollars for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Administrative Agent” means JPMorgan Chase Bank, N.A., in its capacity as administrative agent hereunder and under the other Loan Documents, and its successors in such capacity as provided in Article VIII, or such Affiliates or branches thereof as it shall from time to time designate by notice to the Company and the Lenders for the purpose of performing any of its obligations hereunder or under any other Loan Document.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.
“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly Controls or is Controlled by or is under common Control with the Person specified.

“Affiliated Holders” means, with respect to any specified natural person, (a) such specified natural person’s parents, spouse, siblings, descendants, step children, step grandchildren, nieces and nephews and their respective spouses, (b) the estate, legatees and devisees of such specified natural person and each of the persons referred to in clause (a) of this definition, and (c) any company, partnership, trust or other entity or investment vehicle created for the benefit of, or Controlled by, such specified natural person or any of the persons referred to in clause (a) or (b) of this definition or the holdings of which are for the primary benefit of such specified natural person or any of the persons referred to in clause (a) or (b) of this definition or created by any such person for the benefit of any charitable organization or for a charitable purpose.

“Agents” means the Administrative Agent and the London Agent.

“Agreement” means this Amended and Restated Credit Agreement.

“Agreement Currency” has the meaning assigned to such term in Section 9.15(b).

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus $\frac{1}{2}$ of 1% per annum and (c) the Adjusted LIBO Rate on such day (or if such day is not a Business Day, the immediately preceding Business Day) for a deposit in US Dollars with a maturity of one month plus 1% per annum. For purposes of clause (c) above, the Adjusted LIBO Rate on any day shall be based on the applicable Screen Rate (or, if such Screen Rate is not available for a maturity of one month with respect to US Dollars but is available for periods both longer and shorter than such period, the Interpolated Screen Rate) at approximately 11:00 a.m., London time, on such day for deposits in US Dollars with a maturity of one month; provided that if such rate shall be less than zero, such rate shall be deemed to be zero. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until an amendment hereto has become effective pursuant to Section 2.14(b) with respect to Eurocurrence Loans denominated in US Dollars), then for purposes of clause (c) above the Adjusted LIBO Rate shall be deemed to be zero. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, as the case may be.

“Alternative LC Currency” means Euro, Sterling, Australian Dollars, Singapore Dollars, Canadian Dollars and any other currency (other than US Dollars) for which an Exchange Rate and an LC Exchange Rate may be obtained; provided that at the time of the issuance, amendment or extension of any Letter of Credit denominated in a currency other than US Dollars, Euro, Sterling, Australian Dollars, Singapore Dollars or Canadian Dollars, such other
currency is reasonably acceptable to the Applicable Agent and the Issuing Bank in respect of such Letter of Credit.

“Ancillary Document” has the meaning assigned to such term in Section 9.06(b).

“Annualized Basis” means, when used in reference to any calculation of Leverage Ratio, (a) in the case of any calculation of Leverage Ratio as of any date prior to June 30, 2022, that Consolidated EBITDA used in the denominator thereof be calculated on an annualized basis using Consolidated EBITDA for the two consecutive fiscal quarter periods of the Company most recently ended on or prior to such date multiplied by two and (b) in the case of any calculation of Leverage Ratio as of June 30, 2022, that Consolidated EBITDA used in the denominator thereof be calculated on an annualized basis using Consolidated EBITDA for the three consecutive fiscal quarter periods of the Company ending on March 31, 2022 multiplied by 4/3.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to the Company or any of its Subsidiaries from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977.

“Applicable Agent” means (a) with respect to a Loan or Borrowing denominated in US Dollars or Canadian Dollars or any Letter of Credit, and with respect to any payment hereunder that does not relate to a particular Loan or Borrowing, the Administrative Agent and (b) with respect to a Loan or Borrowing denominated in any currency other than US Dollars or Canadian Dollars, the London Agent.

“Applicable Creditor” has the meaning assigned to such term in Section 9.15(b).

“Applicable Rate” means, for any day, with respect to any ABR Loan, SONIA Loan or Eurocurrency Loan, or with respect to the commitment fees payable hereunder, as the case may be, (a) in the case of the Tranche 1 Revolving Loans and commitment fees payable with respect to the Tranche 1 Commitments, (i) for any day that the Facility Exposure exceeds US$1,145,000,000, the applicable rate per annum set forth below in the Pricing Grid A—Tranche 1 under the caption “ABR Spread Tranche 1”, “Eurocurrency/SONIA Spread Tranche 1” or “Commitment Fee Rate Tranche 1”, as the case may be, and (ii) for any day that the Facility Exposure does not exceed US$1,145,000,000, the applicable rate per annum set forth below in the Pricing Grid B—Tranche 1 under the caption “ABR Spread Tranche 1”, “Eurocurrency/SONIA Spread Tranche 1” or “Commitment Fee Rate Tranche 1”, as the case may be, and (b) in the case of the Tranche 2 Revolving Loans and commitment fees payable with respect to the Tranche 2 Commitments, the applicable rate per annum set forth below in the Pricing Grid—Tranche 2 under the caption “ABR Spread Tranche 2”, “Eurocurrency/SONIA Spread Tranche 2” or “Commitment Fee Rate Tranche 2”, as the case may be, in each case, based upon the Company’s senior unsecured non-credit-enhanced long-term debt ratings from S&P and Moody’s as of such date; provided that in the case of Tranche 1, (x) notwithstanding the foregoing but subject to clause (y) below, prior to December 31, 2021, the “Applicable Rate” for any day shall mean (A) in the case of Tranche 1 Revolving Loans, (1) for any day that the Facility Exposure exceeds US$1,145,000,000, 1.35% per annum with respect to ABR Loans and 2.35% per annum with respect to Eurocurrency Loans and (2) for any day that the Facility Exposure does not exceed US$1,145,000,000, 1.25% per annum with respect to
ABR Loans and 2.25% per annum with respect to Eurocurrency Loans and SONIA Loans, and (B) in the case of the commitment fees payable with respect to Tranche 1 Commitments hereunder, 0.30% per annum and (y) in the event the Leverage Condition shall have been satisfied as of the end of the fiscal year or fiscal quarter of the Company ended after the Restatement Effective Date for which the consolidated financial statements of the Company have been most recently delivered pursuant to Section 5.01(a) or 5.01(b), then, on the third Business Day following the delivery of the related compliance certificate pursuant to Section 5.01(c) demonstrating such satisfaction, the provisions of clause (x) above shall cease to apply until the third Business Day following the next delivery of the consolidated financial statements of the Company pursuant to Section 5.01(a) or 5.01(b); provided further that in the event the Company has not delivered any consolidated financial statements required to be delivered by it pursuant to Section 5.01(a) or 5.01(b), then the provisions of clause (y) above shall cease to apply from and after the date such consolidated financial statements were required to have been so delivered and until the third Business Day following the date such consolidated financial statements are so delivered.

### Pricing Grid A—Tranche 1
(basis points per annum)

<table>
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<th>Level Rating</th>
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<th>Level 2 BBB by S&amp;P/Baa2 by Moody’s</th>
<th>Level 3 BBB- by S&amp;P/Baa3 by Moody's</th>
<th>Level 4 BB+ by S&amp;P/Ba1 by Moody’s</th>
<th>Level 5 Lower than BB+ by S&amp;P/Ba1 by Moody’s or unrated</th>
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### Pricing Grid B—Tranche 1
(basis points per annum)

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<th>Level 2 BBB by S&amp;P/Baa2 by Moody’s</th>
<th>Level 3 BBB- by S&amp;P/Baa3 by Moody’s</th>
<th>Level 4 BB+ by S&amp;P/Ba1 by Moody’s</th>
<th>Level 5 Lower than BB+ by S&amp;P/Ba1 by Moody’s or unrated</th>
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Commitment Fee Rate Tranche 1

<table>
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<tr>
<th>Level</th>
<th>Rating</th>
<th>Eurocurrency / SONIA Spread</th>
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<tr>
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<td>BBB by S&amp;P/Baa2 by Moody's</td>
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<td>Level 3</td>
<td>BBB- by S&amp;P/Baa3 by Moody's</td>
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<td>Level 5</td>
<td>Lower than BB+ by S&amp;P/Ba1 by Moody’s or unrated</td>
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For purposes of the foregoing Pricing Grids, (i) if either Moody’s or S&P shall not have in effect a rating for the Company’s senior unsecured non-credit-enhanced long-term debt (other than by reason of the circumstances referred to in the last sentence of this definition), then the Commitment Fee Rate, the Eurocurrency / SONIA Spread and the ABR Spread shall be based upon the rating of the other rating agency; (ii) if neither Moody’s nor S&P shall have in effect a rating for the Company’s senior unsecured non-credit-enhanced long-term debt (other than by reason of the circumstances referred to in the last sentence of this definition), then the Commitment Fee Rate, the Eurocurrency / SONIA Spread and ABR Spread shall be based upon Level 5 set forth in the applicable Pricing Grid; (iii) if the ratings or deemed ratings by S&P and Moody’s shall fall within different Levels, the Commitment Fee Rate, the Eurocurrency / SONIA Spread and ABR Spread shall be based upon the higher rating, unless the ratings differ by two or more Levels, in which case the Commitment Fee Rate, the Eurocurrency / SONIA Spread and ABR Spread will be based upon the Level set forth in the applicable Pricing Grid next below that corresponding to the higher rating; and (iv) if the rating established or deemed to have been established by Moody’s or S&P shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Rate as a result of a change in ratings or deemed ratings shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s or S&P shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating.
(c) a public statement or publication of information by the regulatory supervisor for the administrator of the applicable Screen Rate announcing that the applicable Screen Rate is no longer representative.

“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Company, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to any Benchmark Rate and solely to the extent that such Benchmark Rate has not been replaced with a Benchmark Replacement, the period (a) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced such Benchmark Rate for all purposes hereunder in accordance with Section 2.14 and (b) ending at the time that a Benchmark Replacement has replaced such Benchmark Rate for all purposes hereunder pursuant to Section 2.14.

“Benefit Plan” means (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” means, with respect to any party, an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such party.

“Board of Governors” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means the Company or any Borrowing Subsidiary.

“Borrowing” means Loans of the same Class, Type and currency, made, converted or continued on the same date and to the same Borrower and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

“Borrowing Minimum” means (a) in the case of a Borrowing denominated in US Dollars, US$5,000,000, (US$1,000,000 in the case of an ABR Borrowing), (b) in the case of a Borrowing denominated in Euro, €5,000,000, (c) in the case of a Borrowing denominated in Sterling, £5,000,000, (d) in the case of a Borrowing denominated in Canadian Dollars, CAD$5,000,000 and (e) in the case of a Borrowing denominated in Australian Dollars, AUD$5,000,000.
“Borrowing Multiple” means (a) in the case of a Borrowing denominated in US Dollars, US$1,000,000, (b) in the case of a Borrowing denominated in Euro, €1,000,000, (c) in the case of a Borrowing denominated in Sterling, £1,000,000, (d) in the case of a Borrowing denominated in Canadian Dollars, CAD$1,000,000 and (e) in the case of a Borrowing denominated in Australian Dollars, AUD$1,000,000.

“Borrowing Request” means a request by a Borrower (or the Company on its behalf) for a Borrowing in accordance with Section 2.03, which shall be in the form of Exhibit B or any other form approved by the Administrative Agent.

“Borrowing Subsidiary” means, at any time, (a) each of Expedia, Inc., a Washington corporation, Travelscape, LLC, a Nevada limited liability company, and Hotwire, Inc., a Delaware corporation, and (b) each other Domestic Subsidiary that has been designated by the Company as a Borrowing Subsidiary pursuant to Section 2.04, other than any Subsidiary that has ceased to be a Borrowing Subsidiary as provided in Section 2.04.

“Borrowing Subsidiary Agreement” means a Borrowing Subsidiary Agreement substantially in the form of Exhibit E.

“Borrowing Subsidiary Termination” means a Borrowing Subsidiary Termination substantially in the form of Exhibit F.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that (a) when used in connection with a Eurocurrency Loan denominated in US Dollars or Sterling or a Letter of Credit denominated in an Alternative LC Currency, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits denominated in such currency in the London interbank market, (b) when used in connection with a Eurocurrency Loan denominated in Euro, the term “Business Day” shall also exclude any day that is not a TARGET Day, (c) when used in connection with a Eurocurrency Loan or a Letter of Credit denominated in Canadian Dollars, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in Toronto, (d) when used in connection with a SONIA Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in London and (e) when used in connection with a Eurocurrency Loan or a Letter of Credit denominated in Australian Dollars, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in Sydney.

“Canadian Dollars” or “CAD$” means the lawful money of Canada.

“Capital Lease” means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, the obligations under which are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any Capital Lease, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. For purposes of
in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for US Dollar-denominated syndicated credit facilities at such time;

provided that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (a) or (b) above is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement”.

“Consolidated Adjusted Total Assets” means, at any time, (a) Consolidated Total Assets at such time minus (b) the amount of such Consolidated Total Assets attributable to goodwill in accordance with GAAP.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period (excluding, for the avoidance of doubt, amortization expense attributable to a prepaid cash item that was paid in a prior period), (iv) all losses for such period on sales or dispositions of assets outside the ordinary course of business, (v) any non-recurring non-cash charges for such period, (vi) any restructuring or other unusual, non-recurring charges for such period; provided that the amount of charges added back pursuant to this clause (vi) for such period, together with the aggregate amount of all other Capped Adjustments for such period, shall not exceed 15% of Consolidated EBITDA for such period (determined prior to giving effect to any addback for any Capped Adjustments), (vii) non-cash goodwill and intangible asset impairment charges for such period, (viii) charges for such period recognized on changes in the fair value of contingent consideration payable by, and non-cash charges for such period recognized on changes in the fair value of the noncontrolling interest in any acquiree acquired by, the Company or any Subsidiary in any business combination and non-cash charges for such period for changes in the fair value of minority equity investments other than those accounted for under the equity method and those that are consolidated of the Company or any Subsidiary, and (ix) any non-cash expenses for such period resulting from the grant of stock options or other equity-based incentives to any director, officer or employee of the Company and the Subsidiaries; provided that any cash payment made with respect to any non-cash items added back in computing Consolidated EBITDA for any prior period pursuant to clause (v), (viii) or (ix) shall be subtracted in computing Consolidated EBITDA for the period in which such cash payment is made; and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, (i) all gains for such period on sales or dispositions of assets outside the ordinary course of business, (ii) all gains for such period arising from business combinations, including gains on a “bargain purchase” and gains recognized on changes in the fair value of contingent consideration payable by, and gains recognized on changes in the fair value of the noncontrolling interest in any acquiree acquired by, the Company or any Subsidiary in connection therewith and gains for such period for changes in the fair value of minority equity investments other than those accounted for under the equity method and those that are consolidated of the Company or any Subsidiary, (iii) any extraordinary gains for such period and (iv) any non-cash items of income for such period that represent the reversal of any accrual of charges referred to in clauses (a)(v), (a)(vi) or (a)(ix) above, all determined on a consolidated
“Consolidated Total Assets” means, at any time, the consolidated total assets of the Company and the Subsidiaries at such time, as such amount would appear on a consolidated balance sheet of the Company prepared in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlled” and “Controling” have meanings correlative thereto.

“Corresponding Tenor” means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding any business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the applicable Benchmark Rate.

“Covered Entity” means any of the following: (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b), or (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning assigned to it in Section 9.20.

“Daily Simple SONIA” means, for any day (a “SONIA Interest Day”), (a) with respect to any Loan denominated in Sterling, an interest rate per annum equal to the greater of (i) SONIA for the day that is four SONIA Business Days prior to (x) if such SONIA Interest Day is a SONIA Business Day, such SONIA Interest Day or (y) if such SONIA Interest Day is not a SONIA Business Day, the SONIA Business Day immediately preceding such SONIA Interest Day and (ii) zero and (b) with respect to any LC Disbursement denominated in Sterling, an interest rate per annum equal to the greater of (i) SONIA for the day that is one SONIA Business Day prior to (x) if such SONIA Interest Day is a SONIA Business Day, such SONIA Interest Day or (y) if such SONIA Interest Day is not a SONIA Business Day, the SONIA Business Day immediately preceding such SONIA Interest Day and (ii) zero. Any change in Daily Simple SONIA due to a change in SONIA shall be effective from and including the effective date of such change in SONIA.

“Default” means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that (a) shall have failed to fund its applicable Tranche Percentage of any Borrowing for three or more Business Days after the date such Borrowing is required to be funded by Lenders hereunder, unless such Lender, in good faith, notifies the Administrative Agent and the Company in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified in such writing, including, if applicable, by reference to a specific Default) has not been satisfied, (b) shall have failed to fund any portion of its participation in any LC
“ERISA Event” means (a) any reportable event (within the meaning of Section 4043 of ERISA or the regulations issued thereunder) with respect to a Plan, other than an event for which the 30-day notice period is waived; (b) a failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) a determination that any Plan is, or is expected to be, in at-risk status (within the meaning of Section 430(i)(4) of the Code or Section 303(i)(4) of ERISA); (e) the incurrence by the Company or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (g) the incurrence by the Company or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; (h) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent (within the meaning of Title IV of ERISA) or in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the occurrence of a non-exempt “prohibited transaction” (within the meaning of Section 4975 of the Code or Section 406 of ERISA) concerning any Plan and with respect to which the Company or any ERISA Affiliate is a “disqualified person” (within the meaning of Section 4975 of the Code) or a party in interest (within the meaning of Section 406 of ERISA) or could otherwise be liable; or (j) any other event or condition with respect to a Plan or Multiemployer Plan that could result in liability of the Company or any ERISA Affiliate.

“Erroneous Payment” has the meaning assigned to such term in Article VIII.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“EURIBO Rate” means, with respect to any Borrowing denominated in Euro for any Interest Period, the applicable Screen Rate as of the Specified Time on the Quotation Date.

“Euro” or “€” means the lawful currency of the member states of the European Union that have adopted a single currency in accordance with applicable law or treaty.

“Eurocurrency”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate, the LIBO Rate, the EURIBO Rate, the CDO Rate or the AUD Bank Bill Rate, as applicable.

“Events of Default” has the meaning assigned to such term in Section 7.01.


“Exchange Rate” means, on any date of determination, for purposes of determining the US Dollar Equivalent of any currency other than US Dollars, the rate at which
which delivery may be made on the Restatement Effective Date) an incumbency certificate to the Administrative Agent as to the authority of such individual.

“Flood Insurance Laws” means, collectively, (a) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973), as now or hereafter in effect or any successor statute thereto, (b) the Flood Insurance Reform Act of 2004, as now or hereafter in effect or any successor statute thereto, and (c) the Biggert-Waters Flood Insurance Reform Act of 2012, as now or hereafter in effect or any successor statute thereto and any and all official rulings and interpretations thereunder or thereof.

“Foreign Currency Overnight Rate” means, for any day, (a) with respect to any currency (other than Sterling), a rate per annum equal to the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for overnight deposits in such currency as displayed on the Reuters screen page that displays such rate (currently LIBOR01 or LIBOR02) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other commercially available information service that publishes such rate as shall be selected by the Applicable Agent or the applicable Issuing Bank, as applicable, from time to time) at approximately 11:00 a.m., London time, on such day, (b) with respect to Sterling, at a rate per annum equal to the Adjusted Daily Simple SONIA or (c) if the rate referred to above is not available for such currency, a rate per annum at which overnight deposits in such currency would be offered on such day in the applicable offshore interbank market, as such rate is determined by the Applicable Agent or the applicable Issuing Bank, as applicable, by such means as the Applicable Agent or such Issuing Bank, as the case may be, shall determine to be reasonable.

“Foreign Facility” means any Indebtedness incurred pursuant to Section 6.01(y) and any credit facility providing for such Indebtedness.

“Foreign Facility Credit Agreement” means the Credit Agreement, dated as of August 5, 2020, among the Company, Expedia Group International Holdings III, LLC, a Delaware limited liability company, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent and London agent.

“Foreign Facility Deemed Agreement” means, with respect to any Lender, (a) in the case of any Lender that is a Tranche 1 Lender as of the Restatement Effective Date, the Deemed Agreement of such Lender set forth in, and as defined in, the Restatement Agreement and (b) in the case of any other Lender, a written agreement of such Lender that is substantially identical, in form and substance, to the Deemed Agreement of the Tranche 1 Lenders set forth in, and as defined in, the Restatement Agreement.

“Foreign Lender” means a Lender that is not a US Person.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.
Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all Disqualified Equity Interests in such Person, valued, as of the date of determination, at the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Equity Interests or Indebtedness into which such Disqualified Equity Interests are convertible or exchangeable), (j) all Securitization Transactions of such Person and (k) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances. The Indebtedness of any Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such other Person, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. Notwithstanding the foregoing, Indebtedness of any Person shall not include (i) trade payables, (ii) endorsements of checks, bills of exchange and other instruments for deposit or collection in the ordinary course of business, (iii) customer deposits and advances, and interest payable thereon, in the ordinary course of business in accordance with customary trade terms and other obligations incurred in the ordinary course of business through credit on an open account basis customarily extended to such Person in connection with the purchase of goods or services, or (iv) obligations under overdraft arrangements with banks incurred in the ordinary course of business to cover working capital needs.

“Indemnified Taxes” means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

“Indemnitee” has the meaning assigned to such term in Section 9.03(b).

“Intellectual Property” has the meaning assigned to such term in the Collateral Agreement.

“Intercompany Indebtedness Subordination Agreement” means the Intercompany Subordination Agreement among the Company, the Subsidiaries party thereto and the Administrative Agent, substantially in the form of Exhibit J, together with all supplements thereto.

“Interest Election Request” means a request by a Borrower (or the Company on its behalf) to convert or continue a Borrowing in accordance with Section 2.08, which shall be in the form of Exhibit D or any other form approved by the Administrative Agent.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December, (b) with respect to any SONIA Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the date of the Borrowing of which such Loan is a part (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (c) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an
Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two (solely in the case of Borrowings denominated in Canadian Dollars), three or six (other than in the case of Borrowings denominated in Euro), three or six Canadian Dollars) months (or, with the consent of each Lender participating therein, twelve months) thereafter, as the applicable Borrower (or the Company on its behalf) may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Screen Rate” means, with respect to any currency for any period, a rate per annum which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest maturity for which a Screen Rate is available that is shorter than such period and (b) the applicable Screen Rate for the shortest maturity for which a Screen Rate is available that is longer than such period, in each case as of the time the Interpolated Screen Rate is required to be determined in accordance with the other provisions hereof; provided that the Interpolated Screen Rate shall in no event be less than zero.

“Investment” means, with respect to a specified Person, any Equity Interests, evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, or any capital contribution or loans or advances (other than advances made in the ordinary course of business that would be recorded as accounts receivable on the balance sheet of the specified Person prepared in accordance with GAAP) to, Guarantees of any Indebtedness or other obligations of, or transfers of property for consideration that is less than the fair value thereof (as reasonably determined by the Company) to, any other Person that are held or made by the specified Person. The amount, as of any date of determination, of (a) any Investment in the form of a loan or an advance shall be the principal amount thereof outstanding on such date, without any adjustment for write-downs or write-offs (including as a result of forgiveness of any portion thereof) with respect to such loan or advance after the date thereof, (b) any Investment in the form of a Guarantee shall be determined in accordance with the definition of the term “Guarantee”, (c) any Investment in the form of a purchase or other acquisition for value of any Equity Interests, evidences of Indebtedness or other securities of any Person shall be the fair value (as reasonably determined by the Company) of the consideration therefor (including any Indebtedness assumed in connection therewith), plus the fair value (as so determined) of all additions to such consideration, as of such date of determination, and minus the amount, as of such date of determination, of any portion of such Investment repaid to the investor in cash as a repayment of principal or a return of capital, as the case may be, but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or
Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement, and, as of the Restatement Effective Date, the Existing Letters of Credit, other than any such letter of credit that shall have ceased to be a “Letter of Credit” outstanding hereunder pursuant to Section 9.05.

“Leverage Condition” shall be satisfied if the Leverage Ratio as of the end of the most recently ended fiscal quarter of the Company for which consolidated financial statements of the Company have been delivered pursuant to Section 5.01(a) or 5.01(b), calculated on an annualized basis using Consolidated EBITDA for the two most recently ended fiscal quarters of the Company included in such consolidated financial statements multiplied by two, is not greater than 5.00:1.00.

“Leverage Ratio” means, on any date, the ratio of (a) Consolidated Funded Debt as of such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of the Company ended on such date (or, if such date is not the last day of a fiscal quarter of the Company, ended most recently prior to such date).

“LIBO Rate” means, with respect to any Borrowing denominated in US Dollars or Sterling for any Interest Period, the applicable Screen Rate as of the Specified Time on the Quotation Date.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, assignment by way of security, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Liquidity” means, as of any date, (a) Unrestricted Cash of the Company and its Subsidiaries (in the case of Excluded Subsidiaries and other non-Wholly Owned Subsidiaries, (i) only to the extent of the Company’s direct or indirect equity ownership thereof and (ii) excluding Unrestricted Cash of any such Subsidiary to the extent that, as of such date, the declaration or payment of cash dividends or similar cash distributions by such Subsidiary is not permitted under applicable law or is subject to any prior approval of any Governmental Authority that has not been obtained or is not permitted by the operation of the terms of the organizational documents of such Subsidiary), plus (b) the sum of (i) the excess, if any, of (x) the total Commitments in effect on such date over (y) the total Revolving Credit Exposures as of such date, and (ii) in the event the Foreign Facility is a committed revolving facility, the amount of the unused commitments thereunder, in each case under this clause (b), only if the conditions precedent to borrowing under the Foreign Facility, as applicable, are capable of being satisfied as of such date, minus (c) Total 30-Day Net Deferred Merchant Bookings as of such date.

“Loan” means any loan made by the Lenders to any Borrower pursuant to this Agreement.
“Participant Register” has the meaning assigned to such term in Section 9.04(c)(i).

“Payment” has the meaning assigned to such term in Article VIII.

“Payment Notice” has the meaning assigned to such term in Article VIII.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Call Spread Swap Agreements” means (a) a Swap Agreement pursuant to which the Company acquires a call or a capped call option requiring the counterparty thereto to deliver to the Company shares of common stock of the Company (or other Equity Interests, securities, property or assets following a merger event or other event or circumstance resulting in the common stock of the Company generally being converted into, or exchanged for, other Equity Interests, securities, property or assets), the cash value thereof or a combination thereof from time to time upon exercise of such option and (b) if entered into by the Company in connection with any Swap Agreement described in clause (a) above, a Swap Agreement pursuant to which the Company issues to the counterparty thereto warrants or other rights to acquire common stock of the Company (or other Equity Interests, securities, property or assets following a merger event or other event or circumstance resulting in the common stock of the Company generally being converted into, or exchanged for, other Equity Interests, securities, property or assets), whether such warrant or other right is settled in shares (or such other Equity Interests, securities, property or assets), cash or a combination thereof, in each case entered into by the Company in connection with the issuance of Permitted Convertible Notes; provided that the terms, conditions and covenants of each such Swap Agreement shall be customary or more favorable to the Company than customary for Swap Agreements of such type (as determined by the Company in good faith).

“Permitted Charitable Contributions” means charitable contributions (as defined in Section 170(c) of the Code, whether in the form of cash, securities or other property and without regard to whether such charitable contributions are deductible for income tax purposes) made by the Company or any Subsidiary, whether directly (including to a donor advised fund) or through one or more Affiliates, and any binding commitment with respect thereto; provided that the aggregate amount of such contributions made by the Company and the Subsidiaries during any fiscal year of the Company, together with the aggregate amount of all binding commitments of the Company and the Subsidiaries to make any such contributions during such fiscal year, may not exceed US$10,000,000 in the aggregate.

“Permitted Convertible Notes” means any notes issued by the Company that are convertible into common stock of the Company (or other Equity Interests, securities, property or assets following a merger event or other event or circumstance resulting in the common stock of the Company generally being converted into, or exchanged for, other Equity Interests, securities, property or assets), cash (the amount of such cash being determined by reference to the price of such common stock or such other Equity Interests, securities, property or assets), or any combination of any of the foregoing, and cash in lieu of fractional shares of common stock; provided that (a) the stated final maturity thereof shall be no earlier than 91 days after the
“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA that is maintained, sponsored or contributed to by the Company or any ERISA Affiliate.

“Preferred Stock” means the Series A Preferred Stock issued in accordance with the terms of the Investment Agreements, the terms of which are set forth in the Certificate of Designation.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board of Governors in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board of Governors (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D).

“QFC Credit Support” has the meaning assigned to it in Section 9.20.

“Qualifying Foreign Facility” means a Foreign Facility that satisfies the following requirements on the date of the definitiveness of the definitive documentation therefor: (a) the creditors thereunder constitute at least a Majority in Interest of the Tranche 1 Lenders and (b) Tranche 1 Lenders constituting at least a Majority in Interest of the Tranche 1 Lenders shall have provided at least their respective Ratable Shares (as defined in their respective Foreign Facility Deemed Agreements) of such Foreign Facility.

“Quotation Date” means (a) with respect to any Eurocurrency Borrowing denominated in US Dollars for any Interest Period, two Business Days prior to the first day of such Interest Period, (b) with respect to any Eurocurrency Borrowing denominated in Sterling, Canadian Dollars or Australian Dollars for any Interest Period, the first Business Day of such Interest Period and (c) with respect to any Eurocurrency Borrowing denominated in Euro for any Interest Period, the day two TARGET Days before the first day of such Interest Period, in each case unless market practice differs for loans such as the applicable Loans priced by reference to rates quoted in the Relevant Interbank Market, in which case the Quotation Date for such currency shall be determined by the Applicable Agent in accordance with market practice for such loans priced by reference to rates quoted in the Relevant Interbank Market (and if quotations would normally be given by leading banks for such loans priced by reference to rates
quoted in the Relevant Interbank Market on more than one day, the Quotation Date shall be the last of those days).

“Register” has the meaning assigned to such term in Section 9.04(b)(iv).

“Registered Intellectual Property” means any Intellectual Property that is the subject of a pending application for registration or issuance (or any similar action) with or by, or that is registered or issued (or any similar action) with or by, any Governmental Authority (or any other Person with or by which registrations or issuances (or similar actions) of such Intellectual Property are made), in each case, in any jurisdiction throughout the world.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, trustees, partners, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means the Board of Governors and/or the NYFRB, or a committee officially endorsed or convened by the Board of Governors and/or the NYFRB or, in each case, any successor thereto.

“Relevant Interbank Market” means (a) with respect to US Dollars and Sterling, the London interbank market, (b) with respect to Euros, the European interbank market, (c) with respect to Canadian Dollars, the Toronto interbank market and (d) with respect to Australian Dollars, the Australian interbank market.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Restatement Agreement” means the Restatement Agreement dated as of May 4, 2020, among the Company, the Borrowing Subsidiaries party thereto, the Lenders party thereto and the Agents.

“Restatement Effective Date” has the meaning assigned to such term in the Restatement Agreement.

“Restatement Signing Date” means May 4, 2020.

“Restricted Cash” means, as of any date with respect to any Person, any cash, Permitted Investments and other cash equivalents directly owned on such date by such Person and that do not constitute Unrestricted Cash of such Person.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking
such rate) for deposits in the applicable currency US Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period as displayed on the Reuters screen page that displays such rate (currently LIBOR01 or LIBOR02) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other commercially available information service that publishes such rate as shall be selected by the Applicable Agent from time to time), (b) in respect of the EURIBO Rate for any Interest Period, the percentage per annum determined by the European Money Market Institute (or any other Person that takes over the administration of such rate) for such Interest Period as set forth on the Reuters screen page that displays such rate (currently EURIBOR01) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other commercially available information service that publishes such rate as shall be selected by the Applicable Agent from time to time), (c) in respect of the CDO Rate for any Interest Period, the average rate for bankers acceptances denominated in Canadian Dollars with a term equal to such Interest Period as displayed on the “Reuters Screen CDOR Page” as used in the 2006 ISDA Definition as published by the International Swaps and Derivatives Association, Inc. definitions, as modified and amended from time to time (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other commercially available information service that publishes such rate as shall be selected by the Applicable Agent from time to time) and (d) in respect of the AUD Bank Bill Rate for any Interest Period, the Australian Bank Bill Swap Reference Rate (Bid) administered by the ASX Benchmark Pty Limited (ACN 616 075 417) (or any other Person that takes over the administration of such rate) for bills of exchange in Australian Dollars with a term equivalent to such Interest Period as displayed on the applicable Reuters screen page (currently page BBSY) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other commercially available information service that publishes such rate as shall be selected by the Applicable Agent from time to time); provided that if the Screen Rate, determined as provided above, would be less than zero, the Screen Rate shall for all purposes of this Agreement be zero. If, as to any currency, no Screen Rate shall be available for a particular Interest Period but Screen Rates shall be available for maturities both longer and shorter than such Interest Period, then the Screen Rate for such Interest Period shall be the Interpolated Screen Rate.

“SEC” means the United States Securities and Exchange Commission.

“Second Amendment” means the Second Amendment dated as of August 5, 2020, to this Agreement.

“Second Amendment Effective Date” has the meaning assigned to such term in the Second Amendment.

“Secured Obligations” means (a) the Loan Document Obligations, (b) the Designated Cash Management Obligations and (c) the Designated Swap Obligations, excluding, with respect to any Subsidiary Loan Party, Excluded Swap Obligations.

“Secured Parties” means, collectively, (a) the Administrative Agent and the London Agent, (b) the Arrangers, (c) the Lenders, (d) the Issuing Banks, (e) each provider of Cash Management Services the obligations under which constitute Designated Cash Management Obligations, (f) each counterparty to any Swap Agreement the obligations under
“SilverRail Transactions” means, collectively, the disposition by Expedia, Inc., a Washington corporation, of its Equity Interests in SilverRail to one or more of the other Persons that are not Affiliates of the Company and that hold Equity Interests in SilverRail immediately prior to such disposition (or to any Affiliate of any such Person), including any such disposition in the form of a contribution by Expedia, Inc. of such Equity Interests to SilverRail or an exchange of such Equity Interests for the Equity Interests referred to in clause (a) below, and the consummation of the related transactions, including (a) the receipt by the Company or any Subsidiary of certain warrants in respect of Equity Interests in SilverRail and (b) the cancellation of certain Indebtedness owed by SilverRail to the Company or any Subsidiary, in each case, substantially consistent in all material respects with the terms thereof set forth in the document titled “SilverRail Management Buyout” dated August 31, 2020 that has been provided by the Company to the Administrative Agent in connection with the Third Amendment.

“Singapore Dollars” or “SGD$” refers to lawful money of Singapore.

“SOFR” means, with respect to any day, the secured overnight financing rate published for such day by the NYFRB, as the administrator of the benchmark (or a successor administrator), on the NYFRB Website.

“SOFR-Based Rate” means SOFR, Compounded SOFR or Term SOFR.

“SONIA” means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator’s Website on the immediately succeeding Business Day.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means the Bank of England’s website, currently at http://www.bankofengland.co.uk, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“SONIA Borrowing” means any Borrowing comprised of SONIA Loans.

“SONIA Business Day” means any day that is not a Saturday, Sunday or other day on which banks are closed for general business in London.

“SONIA Interest Day” has the meaning set forth in the definition of “Daily Simple SONIA”.

“SONIA Loan” means a Loan that bears interest at a rate determined by reference to the Adjusted Daily Simple SONIA.
and (e) any creation, incurrence or assumption by any Excluded Subsidiary of any Lien on any property or asset now owned or hereafter acquired by it, in each case, in reliance on the proviso to the last sentence of Section 6.02 or any entrance by any Excluded Subsidiary into any sale and lease-back transaction in reliance on the proviso to the last sentence of Section 6.03; provided that no event described in clause (a) above that occurs after the Second Amendment Effective Date shall constitute a Tranche 1 Reduction/Prepayment Event.

“Tranche 1 Revolving Exposure” means, at any time, the sum of (a) the aggregate principal amount of the Tranche 1 Revolving Loans denominated in US Dollars outstanding at such time, (b) the sum of the US Dollar Equivalents of the aggregate principal amounts of the Tranche 1 Revolving Loans denominated in Euro, Sterling, Canadian Dollars or Australian Dollars outstanding at such time and (c) the Tranche 1 Share of the LC Exposure at such time. The Tranche 1 Revolving Exposure of any Lender at any time shall be such Lender’s Tranche 1 Percentage of the total Tranche 1 Revolving Exposure at such time, adjusted (without duplication) to give effect to any reallocation under Section 2.20 of the LC Exposure of Defaulting Lenders in effect at such time.

“Tranche 1 Revolving Loan” means a Loan made pursuant to Section 2.01(a). Each Tranche 1 Revolving Loan denominated in US Dollars shall be a Eurocurrency Loan or an ABR Loan, and each Tranche 1 Revolving Loan denominated in Euro, Sterling, Canadian Dollars or Australian Dollars shall be a Eurocurrency Loan, and each Tranche 1 Revolving Loan denominated in Sterling shall be a SONIA Loan.

“Tranche 1 Share” means, at any time, a percentage determined by dividing the aggregate amount of the Tranche 1 Commitments at such time by the aggregate amount of the Commitments at such time.

“Tranche 2” has the meaning assigned to such term in the definition of the term “Tranche”.

“Tranche 2 Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make Tranche 2 Revolving Loans and to acquire participations in Letters of Credit, expressed as an amount representing the maximum permitted amount of such Lender’s Tranche 2 Revolving Exposure hereunder, as such commitment may be established pursuant to Section 2.09(g) and (a) reduced or increased from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The aggregate amount of Tranche 2 Commitments as of the Second Amendment Effective Date is zero.

“Tranche 2 Lender” means a Lender with a Tranche 2 Commitment or Tranche 2 Revolving Exposure.

“Tranche 2 Percentage” means, at any time with respect to any Tranche 2 Lender, the percentage of the total Tranche 2 Commitments represented by such Lender’s Tranche 2 Commitment at such time. If the Tranche 2 Commitments have terminated or expired, the Tranche 2 Percentages shall be determined based upon the Tranche 2 Commitments most recently in effect, giving effect to any assignments.
“Tranche 2 Revolving Exposure” means, at any time, the sum of (a) the aggregate principal amount of the Tranche 2 Revolving Loans denominated in US Dollars outstanding at such time, (b) the sum of the US Dollar Equivalents of the aggregate principal amounts of the Tranche 2 Revolving Loans denominated in Euro, Sterling, Canadian Dollars or Australian Dollars outstanding at such time and (c) the Tranche 2 Share of the LC Exposure at such time. The Tranche 2 Revolving Exposure of any Lender at any time shall be such Lender’s Tranche 2 Percentage of the total Tranche 2 Revolving Exposure at such time, adjusted (without duplication) to give effect to any reallocation under Section 2.20 of the LC Exposure of Defaulting Lenders in effect at such time.

“Tranche 2 Revolving Loan” means a Loan made pursuant to Section 2.01(b). Each Tranche 2 Revolving Loan denominated in US Dollars shall be a Eurocurrency Loan or an ABR Loan, and each Tranche 2 Revolving Loan denominated in Euro, Sterling, Canadian Dollars or Australian Dollars shall be a Eurocurrency Loan, and each Tranche 2 Revolving Loan denominated in Sterling shall be a SONIA Loan.

“Tranche 2 Share” means, at any time, a percentage determined by dividing the aggregate amount of the Tranche 2 Commitments at such time by the aggregate amount of the Commitments at such time.

“Tranche Percentage” means, at any time, with respect to any Lender holding any Commitment or Loan under Tranche 1 or Tranche 2, such Lender’s Tranche 1 Percentage or Tranche 2 Percentage, as applicable, at such time.

“Transactions” means the execution, delivery and performance by each Loan Party of the Loan Documents to which it is to be a party, the creation of the Liens provided for in the Security Documents, the borrowing of Loans and the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“trivago” means trivago N.V., a Dutch public limited company (naamloze vennootschap), formerly known as travel B.V., a Dutch private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid).

“trivago Form F-1” means the Form F-1 Registration Statement filed by trivago with the SEC on November 14, 2016, as amended or supplemented from time to time.

“trivago Form F-6” means the Form F-6 Registration Statement filed by trivago with the SEC on December 5, 2016, as amended or supplemented from time to time.

“trivago Headquarters” means (a) Kesselstraße 5 – 7, 40221 Düsseldorf, Germany and (b) all current or future buildings, facilities and improvements (including all repairs, replacements, alterations and additions thereof and thereto) on or under any of the real properties described in clause (a) of this definition, together with all easements, appurtenances and hereditaments thereto, and including all air rights, mineral rights, water rights and development rights.

“trivago Headquarters Assets” means the trivago Headquarters, together with all fixtures, building service equipment, furnishings and betterments currently or subsequently
located thereon and all other personal property currently or subsequently located thereon or directly relating thereto or used in connection therewith (including all machinery, equipment and installations) and all other rights, interests and privileges that, in the case of any such personal property and all other rights, interests and privileges, is used in connection with the operation of the trivago Headquarters and customarily financed together with real properties similar to the trivago Headquarters, including insurance policies and insurance proceeds and condemnation awards, leases, subleases, licenses, concessions, rents, issues and profits (and all repairs, replacements, alterations and additions thereof and thereto), but specifically excluding any Intellectual Property (other than Intellectual Property that has de minimis fair value, as reasonably determined by the Company) and Equity Interests.

“trivago IPO” means an initial public offering of American Depositary Shares of trivago, substantially as described in the trivago Form F-1 and the trivago Form F-6.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the LIBO Rate, the EURIBO Rate, the CDO Rate, the AUD Bank Bill Rate or, the Alternate Base Rate or the Adjusted Daily Simple SONIA.

“UCP” means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the time of issuance).

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, the Unadjusted Benchmark Replacement will be deemed to be zero for all purposes of this Agreement.

“Unrestricted Cash” means, as of any date with respect to any Person, cash, Permitted Investments and other cash equivalents directly owned on such date by such Person, as such amount would appear on a consolidated balance sheet of such Person prepared as of such date in accordance with GAAP; provided that such cash, Permitted Investments and other cash equivalents do not appear (and would not be required to appear) as “restricted” on a consolidated balance sheet of such Person prepared in accordance with GAAP.

“US Dollar Equivalent” means, on any date of determination, (a) with respect to any amount in US Dollars, such amount, and (b) with respect to any amount in any currency other than US Dollars, the equivalent in US Dollars of such amount, determined by the
Section. The Administrative Agent shall in addition determine the US Dollar Equivalent of any Letter of Credit denominated in an Alternative LC Currency as provided in Sections 2.06(e) and 2.06(l).

(ii) The Applicable Agent shall determine the US Dollar Equivalent of any Borrowing denominated in any currency other than US Dollars on or about the date of the commencement of the initial Interest Period therefor (or, in the case of a SONIA Loan, the date on which such SONIA Loan is made) and as of the date of the commencement of each subsequent Interest Period therefor (or, in the case of a SONIA Loan, each date that shall occur at intervals of three months’ duration after the date on which such SONIA Loan is made), in each case using the Exchange Rate (as calculated in accordance with the definition thereof on the date of determination), and each such amount shall be the US Dollar Equivalent of such Borrowing until the next required calculation thereof pursuant to this Section.

(iii) The Applicable Agent may also determine the US Dollar Equivalent of any Borrowing or Letters of Credit denominated in any currency other than US Dollars as of such other dates as the Applicable Agent shall determine, in each case using the Exchange Rate (as calculated in accordance with the definition thereof on the date of determination), and each such amount shall be the US Dollar Equivalent of such Borrowing or Letter of Credit until the next calculation thereof pursuant to this Section.

(iv) The Administrative Agent shall notify the Company, the applicable Lenders and the applicable Issuing Bank of each determination of the US Dollar Equivalent of each Letter of Credit, Borrowing and LC Disbursement.

SECTION 1.06. Interest Rates; LIBOR Notification. The interest rate on a Loan denominated in US Dollars or any other applicable currency may be derived from an interest rate benchmark that is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administration, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, Section 2.14(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “Screen Rate” or with respect to any alternative or successor...
time during the Availability Period in an aggregate principal amount that will not result in (i) such Lender’s Tranche 1 Revolving Exposure exceeding such Lender’s Tranche 1 Commitment or (ii) the total Tranche 1 Revolving Exposure exceeding the total Tranche 1 Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, any Borrower may borrow, prepay and reborrow Tranche 1 Revolving Loans.

(b) Subject to the terms and conditions set forth herein, each Tranche 2 Lender agrees to make Tranche 2 Revolving Loans denominated in US Dollars, Euro, Sterling, Canadian Dollars or Australian Dollars to any Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (i) such Lender’s Tranche 2 Revolving Exposure exceeding such Lender’s Tranche 2 Commitment or (ii) the total Tranche 2 Revolving Exposure exceeding the total Tranche 2 Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, any Borrower may borrow, prepay and reborrow Tranche 2 Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Class, Type and currency made by the Lenders ratably in accordance with their respective Commitments of the applicable Class to the same Borrower. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and not joint and no Lender shall be responsible for any other Lender’s failure to make Loans as required.

(b) Subject to Section 2.14, each Borrowing shall be comprised (i) in the case of Borrowings denominated in US Dollars, entirely of ABR Loans or Eurocurrency Loans of the applicable Type as the applicable Borrower (or the Company on its behalf) may request in accordance herewith, (ii) in the case of Borrowings denominated in Sterling, entirely of SONIA Loans and (iii) in the case of Borrowings denominated in any other currency, entirely of Eurocurrency Loans of the applicable Type. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum; provided that a Eurocurrency Borrowing that results from a continuation of an outstanding Eurocurrency Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each ABR Borrowing and each SONIA Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of US$1,000,000 the Borrowing Minimum; provided that an ABR Borrowing or a SONIA Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of the applicable Class or, in the case of an ABR Borrowing, that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Borrowings of more than one Type and Class may be outstanding at the same time; provided
that there shall not at any time be more than a total of six Eurocurrency Borrowings and SONIA Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Eurocurrency Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the applicable Borrower (or the Company on its behalf) shall submit a written Borrowing Request, signed by an Authorized Officer of such Borrower or the Company, as applicable, to the Applicable Agent (a) in the case of a Eurocurrency Borrowing denominated in US Dollars, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (b) in the case of a Borrowing denominated in Euro, Sterling, Canadian Dollars or Australian Dollars, not later than 11:00 a.m., Local Time, four Business Days before the date of the proposed Borrowing, and (c) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing and (d) in the case of a SONIA Borrowing, not later than 11:00 a.m., New York City time, four SONIA Business Days before the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the Borrower requesting such Borrowing (or on whose behalf the Company is requesting such Borrowing);
(ii) the aggregate amount and currency of the requested Borrowing;
(iii) the Class of such Borrowing;
(iv) the date of such Borrowing, which shall be a Business Day;
(v) if denominated in US Dollars, whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;
(vi) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and
(vii) the location and number of the account of the applicable Borrower to which funds are to be disbursed, which shall comply with Section 2.07, or, in the case of any ABR Borrowing requested to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), the identity and the account of the Issuing Bank that had made such LC Disbursement.

If no currency is specified with respect to any requested Borrowing, then the applicable Borrower shall be deemed to have selected US Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (A) if denominated in US Dollars, an ABR Borrowing, (B) if denominated in Sterling, a SONIA Borrowing and (C) if denominated in any other currency, a Eurocurrency Borrowing of the applicable Type. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the applicable Borrower
LC Participation Calculation Date. Each Lender acknowledges and agrees that (A) its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment or extension of any Letter of Credit, the occurrence and continuance of a Default, any reduction or termination of the Commitments, any fluctuation in currency values or any force majeure or other event that under any rule of law or uniform practices to which any Letter of Credit is subject (including Section 3.14 of the ISP or any successor publication of the International Chamber of Commerce) or similar terms of the Letter of Credit itself permits a drawing to be made under such Letter of Credit after the expiration thereof or of the Commitments, and (B) each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender further acknowledges and agrees that, in issuing, amending or extending any Letter of Credit, the applicable Issuing Bank shall be entitled to rely, and shall not incur any liability for relying, upon the representation and warranty of each Borrower deemed made pursuant to Section 4.02, unless, at least two Business Days prior to the time such Letter of Credit is issued, amended or extended (or, in the case of an automatic extension permitted pursuant to paragraph (c) of this Section, at least two Business Days prior to the time by which the election not to extend must be made by the applicable Issuing Bank), the Required Lenders shall have notified the applicable Issuing Bank (with a copy to the Administrative Agent) in writing that, as a result of one or more events or circumstances described in such notice, one or more of the conditions precedent set forth in Section 4.02 would not be satisfied if such Letter of Credit were then issued, amended or extended.

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount in the currency of such LC Disbursement equal to such LC Disbursement not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if such Borrower shall have received notice of such LC Disbursement prior to 11:00 a.m., Local Time, on such date, or, if such notice has not been received by such Borrower prior to such time on such date, then not later than 12:00 noon, Local Time, on (i) the Business Day that such Borrower receives such notice, if such notice is received prior to 11:00 a.m., Local Time, on the day of receipt, or (ii) the Business Day immediately following the day that such Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, if such LC Disbursement is denominated in US Dollars and is not less than the Borrowing Minimum for US Dollar denominated ABR Loans, the applicable Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Borrowing in an equivalent amount and, to the extent so financed, such Borrower’s obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the applicable Borrower fails to make any such reimbursement payment when due, the applicable Issuing Bank shall give prompt notice and details thereof to the Administrative Agent, whereupon (A) if such payment relates to a Letter of Credit denominated in an Alternative LC Currency, automatically and with no further action required, the obligation of such Borrower to reimburse the applicable LC Disbursement shall be permanently converted into an obligation to reimburse the US Dollar Equivalent, calculated using the LC Exchange Rate on the applicable LC Participation Calculation Date, of such LC Disbursement and (B) in the case of each LC Disbursement, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the amount

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consequential or punitive damages, claims in respect of which are hereby waived by each Borrower to the extent permitted by applicable law) suffered by such Borrower that are caused by such Issuing Bank’s failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that the applicable Issuing Bank shall be deemed to have exercised care in each such determination unless a court of competent jurisdiction shall have determined by a final, non-appealable judgment that such Issuing Bank was grossly negligent or acted with willful misconduct in connection with such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Bank shall, within the time allowed by applicable law or the specific terms of such Letter of Credit, following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The applicable Issuing Bank shall promptly after such examination notify the Administrative Agent and the applicable Borrower by telephone, facsimile or email (and, in the case of telephonic notice, promptly confirmed by facsimile or email) of such demand for payment and of such Issuing Bank having made an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the applicable Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the applicable Borrower reimburses such LC Disbursement in full, (i) in the case of any LC Disbursement denominated in US Dollars, and at all times following the conversion to US Dollars of any LC Disbursement made in an Alternative LC Currency pursuant to paragraph (e) or (l) of this Section, at the rate per annum then applicable to ABR Tranche 1 Revolving Loans and (ii) if such LC Disbursement is made in an Alternative LC Currency, at all times prior to its conversion to US Dollars pursuant to paragraph (e) or (l) of this Section, at a rate equal to the rate reasonably determined by the applicable Issuing Bank to be the cost to such Issuing Bank of funding such LC Disbursement (which may be deemed by the applicable Issuing Bank, at its election, to equal to the applicable Foreign Currency Overnight Rate) plus the Applicable Rate applicable to Eurocurrency Tranche 1 Revolving Loans at such time; provided that, if the applicable Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be paid by the applicable Borrower to the Administrative Agent, for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be paid by the applicable Borrower to the Administrative Agent for the account of such Lender to
funds in the applicable currency by 12:00 noon, Local Time, to the account of the Applicable Agent most recently designated by it for such purpose by notice to the Lenders. The Applicable Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of such Borrower maintained with the Applicable Agent and designated by such Borrower in the applicable Borrowing Request; provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank specified in the applicable Borrowing Request.

(b) Unless the Applicable Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Applicable Agent such Lender’s share of such Borrowing, the Applicable Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance on such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Applicable Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Applicable Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Applicable Agent, at (i) in the case of such Lender, (A) if denominated in US Dollars, the greater of the NYFRB and a rate determined by the Applicable Agent in accordance with banking industry rules on interbank compensation and (B) if denominated in an any currency other than US Dollars, the interest rate applicable to ABR Loans of the applicable Class and (B) if denominated in any currency other than US Dollars, the interest rate applicable to the subject Loan. If such Lender pays such amount to the Applicable Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing. If such Borrower and such Lender shall pay such interest to the Applicable Agent for the same or an overlapping period, the Applicable Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. Any such payment by any Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Applicable Agent.

SECTION 2.08. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or as otherwise provided in Section 2.03. Thereafter, the applicable Borrower may elect to convert any Borrowing denominated in US Dollars to a different Type or to continue any Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. The applicable Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. **This Section 2.08 shall not apply to SONIA Borrowings, which may not be converted or continued.**
Borrowers shall, not later than the next Business Day prepay Borrowings under the applicable Tranche in an aggregate amount equal to the amount of such excess, and in the event that after such prepayment of Borrowings any such excess shall remain, the Borrowers shall deposit with the Administrative Agent cash in US Dollars in an amount equal to the amount of such excess as collateral to be held by the Administrative Agent in accordance with Section 2.06(j); provided that if such excess results from a change in Exchange Rates, such prepayment and deposit shall be required to be made not later than the fifth Business Day after the day on which the Administrative Agent shall have given the Company notice of such excess. Prepayments made under this paragraph shall be without any premium or penalty (but shall be subject to Section 2.16). It is understood that nothing in this paragraph shall modify the obligations of the Borrowers set forth in paragraph (b) above.

(d) The applicable Borrower (or the Company on its behalf) shall notify the Applicable Agent by telephone (confirmed by facsimile) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing, not later than 11:00 a.m., Local Time, three Business Days before the date of prepayment or, (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment or (iii) in the case of prepayment of a SONIA Borrowing, not later than 11:00 a.m., New York City time, four SONIA Business Days before the date of prepayment; provided that in the case of any prepayment required to be made under paragraph (b) or (c) of this Section the applicable Borrower (or the Company on its behalf) will give such notice as soon as practicable. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of any prepayment under paragraph (b) of this Section, shall specify the applicable Tranche 1 Reduction/Prepayment Event and set forth the calculation of the applicable Tranche 1 Reduction/Prepayment Amount; provided that (x) a notice of optional prepayment of any Borrowing pursuant to paragraph (a) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified therein and (y) a notice of prepayment of any Tranche 1 Revolving Borrowing pursuant to paragraph (b) of this Section may state that such notice is conditioned upon the occurrence of the Tranche 1 Reduction/Prepayment Event specified therein, and in either such case such notice may be revoked by the applicable Borrower (or the Company on its behalf) (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Class, Type and in the same currency as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing, it being agreed that the determination of which Loans are included in such Borrowing shall be made after giving effect to any concurrent or prior conversion of the Loans of any Class as provided in Section 2.09(f) or 2.09(g). Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

SECTION 2.12. Fees. (a) The Company agrees to pay, or cause the applicable Borrowing Subsidiary to pay, (i) to the Administrative Agent for the account of each Tranche 1 Lender a commitment fee, which shall accrue at the Applicable Rate on the daily unused
The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

All fees payable hereunder shall be paid on the dates due, in immediately available funds in US Dollars, to the Administrative Agent (or to the Issuing Banks, in the case of fees payable to them) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest (i) in the case of any such Borrowing denominated in US Dollars, at the Adjusted LIBO Rate, (ii) in the case of any such Borrowing denominated in Sterling, at the LIBO Rate, (iii) in the case of any such Borrowing denominated in Euro, at the EURIBO Rate, (iv) in the case of any such Borrowing denominated in Canadian Dollars, at the CDO Rate, and (v) in the case of any such Borrowing denominated in Australian Dollars, at the AUD Bank Bill Rate, in each case for the Interest Period in effect for such Borrowing plus, in each case, the Applicable Rate.

(c) The Loans comprising each SONIA Borrowing shall bear interest at the Adjusted Daily Simple SONIA plus the Applicable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section, (ii) in the case of any overdue interest on any Loan, 2% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (iii) in the case of any other amount, 2% plus the rate applicable to ABR Tranche 1 Revolving Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Loans of any Class, upon termination of the Commitments of such Class; provided that (i) interest accrued pursuant to paragraph (e) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion. All interest shall be payable in the currency in which the applicable Loan is denominated.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Daily Simple SONIA and interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is
based on the Prime Rate and (ii) interest on Eurocurrency Loans denominated in Sterling, Canadian Dollars or Australian Dollars shall be computed on the basis of a year of 365 days (or, in the case of clause (i) above, 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate, LIBO Rate, EURIBO Rate, CDO Rate or AUD Bank Bill Rate or Adjusted Daily Simple SONIA shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. (a) Subject to Section 2.14(b), if prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Eurocurrency Borrowing of any Class denominated in any currency, that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate, the LIBO Rate, the EURIBO Rate, the CDO Rate or the AUD Bank Bill Rate, as the case may be, for such Interest Period (including because the applicable Screen Rate is not available or published on a current basis) or (B) at any time, that adequate and reasonable means do not exist for ascertaining the Daily Simple SONIA with respect to any Borrowing denominated in Sterling; or

(ii) the Administrative Agent is advised by the Majority in Interest of the Lenders under the affected Tranche- Class (A) prior to the commencement of any Interest Period for a Eurocurrency Borrowing of any Class denominated in any currency, that the Adjusted LIBO Rate, the LIBO Rate, the EURIBO Rate, the CDO Rate or the AUD Bank Bill Rate, as the case may be, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Eurocurrency Borrowing for such Interest Period or (B) at any time, that the Adjusted Daily Simple SONIA with respect to any Borrowing of any Class denominated in Sterling will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing;

then the Administrative Agent shall give notice thereof to the Company and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing of the applicable Type for such Interest Period shall be ineffective, (B) the affected Eurocurrency Borrowing that was requested to be converted or continued shall (1) if denominated in US Dollars, on the last day of the then current Interest Period applicable thereto, unless repaid, be continued as or converted to an ABR Borrowing or (2) if denominated in any currency other than US Dollars, from and after the last day of the then current Interest Period applicable thereto, unless repaid, bear interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus a rate that adequately and fairly reflects the weighted average of the cost to each Lender of the applicable Class to fund its pro rata share of such Borrowing (from whatever source and using whatever methodologies such Lender may select in its reasonable discretion) (with respect to a Lender, the “COF Rate” and with respect to the weighted average of the COF Rate applicable to each Lender of the applicable
Class for any Borrowing, the “Average COF Rate”), it being agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing, and (C) if any Borrowing Request requests a Eurocurrency Borrowing of the applicable Type for such Interest Period, such Borrowing shall (1) if denominated in US Dollars, be treated as a request for an ABR Borrowing or (2) if denominated in any currency other than US Dollars, be treated as a request for a Borrowing that bears (and such Borrowing will bear) interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, (D) any affected SONIA Borrowing shall, from and after the date on which the Company receives such notice, bear interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate and (E) any Borrowing Request for an affected SONIA Borrowing shall be treated as a request for a Borrowing that bears (and such Borrowing will bear) interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, it being agreed, in each case under clauses (B) through (E) above, by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing.

(b) (i) Notwithstanding anything to the contrary herein, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Company may amend this Agreement to replace the applicable Benchmark Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m., New York City time, on the fifth Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Company, so long as the Administrative Agent has not received, by such time, written notice of objection to such proposed amendment from Lenders comprising the Required Lenders; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Lenders consent to such amendment. No replacement of any Benchmark Rate with a Benchmark Replacement will occur prior to the applicable Benchmark Transition Start Date.

(ii) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(iii) The Administrative Agent will promptly notify the Company and the Lenders of (A) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Benchmark Replacement Conforming Changes and (D) the commencement or conclusion of any Benchmark Unavailability Period.

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(iv) Upon the Company’s receipt of notice of the commencement of a Benchmark Unavailability Period with respect to any Benchmark Rate, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing of the applicable Type shall be ineffective, and, on the last day of the then current Interest Period applicable thereto, unless repaid, such Borrowing shall (1) if denominated in US Dollars, be continued as or converted to an ABR Borrowing or (2) if denominated in any currency other than US Dollars, from and after the last day of the then current Interest Period applicable thereto, unless repaid, bear interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, it being agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing and (B) any Borrowing Request for a Eurocurrency Borrowing of the applicable Type shall (1) if denominated in US Dollars, be treated as a request for an ABR Borrowing or (2) if denominated in any currency other than US Dollars, be treated as a request for a Borrowing that bears (and such Borrowing will bear) interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, it being agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing.

(v) Any determination, decision or election that may be made by the Administrative Agent or the Lenders pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.14.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank;

(ii) subject any Agent, Lender or Issuing Bank to any Taxes on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto (but expressly excluding Taxes referred to in paragraph (f) of this Section); or

(iii) impose on any Lender or any Issuing Bank or the London interbank market, European interbank market, Toronto interbank market or Australian interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Loans or SONIA Loans made by such Lender or any Letter of Credit or participation therein;
extent of indemnity payments made by such Borrower under this Section 2.15 with respect to the events giving rise to such refund), net of all out-of-pocket expenses of such Agent, such Lender or such Issuing Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that each Borrower, upon the request of such Agent, such Lender or such Issuing Bank, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such Agent, such Lender or such Issuing Bank is required to repay such refund to such Governmental Authority. This Section shall not be construed to require any Agent, any Lender or any Issuing Bank to make available its accounting records (or any other information which it deems confidential) to any Borrower or any other Person.

(f) For the avoidance of doubt, this Section 2.15 (i) shall not entitle any Agent, Lender or Issuing Bank to compensation in respect of any Excluded Taxes, (ii) shall not apply to (A) Indemnified Taxes imposed on payments by or on account of any obligations of any Borrower hereunder or under any Loan Document or (B) Other Taxes, it being understood that Indemnified Taxes and Other Taxes shall be governed by Section 2.17(a), and (iii) shall not relieve any Lender of any obligation pursuant to Section 2.17(d), 2.17(f) or 2.17(g).

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(d) and is revoked in accordance therewith) or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.19, then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate, the LIBO Rate, EURIBO Rate, the CDO Rate or the AUD Bank Bill Rate, as the case may be, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the Relevant Interbank Market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Company and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 20 days after receipt thereof.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of any Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes except as required
Permitted Convertible Notes and (ii) enter into, pay any premium on, exercise rights under and make any payment or other disposition of cash, common stock of the Company or other Equity Interests, securities, property or assets under any Permitted Call Spread Swap Agreement, in each case pursuant to the terms thereof, and (k) to the extent constituting a Restricted Payment, the Company and its Subsidiaries may consummate the SilverRail Transactions and (l) the Company and its Subsidiaries may make additional Restricted Payments in an aggregate amount not to exceed US$500,000,000.

SECTION 6.06. Transactions with Affiliates. The Company will not, and will not permit any Subsidiary (other than any Excluded Subsidiary) to, sell, lease or otherwise transfer any assets to, or purchase, lease or otherwise acquire any assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Company or such Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, (b) transactions between or among the Company, Wholly Owned Subsidiaries and Subsidiary Loan Parties not involving any other Affiliate; provided that any transactions entered into pursuant to this clause (b) between or among Loan Parties and Wholly Owned Subsidiaries that are not Loan Parties involving Intellectual Property held by any Loan Party shall be at prices and on terms and conditions not less favorable to such Loan Party than could be obtained on an arm’s-length basis from unrelated third parties, (c) transactions between or among Subsidiaries that are not Loan Parties, (d) any Restricted Payment permitted by Section 6.05 or Investment permitted by Section 6.12, (e) transactions under the IAC Agreements as in effect on the Restatement Effective Date (or as hereafter amended in a manner not materially adverse to the Company and to the rights or interests of the Lenders), (f) payments made and other transactions entered into in the ordinary course of business with officers and directors of the Company or any Subsidiary, and consulting fees and expenses incurred in the ordinary course of business payable to former officers or directors of the Company or any Subsidiary, (g) reclassifications or changes in the terms of or other transactions relating to Equity Interests in the Company held by Affiliates that do not involve the payment of any consideration (other than Equity Interests (other than Disqualified Equity Interests) in the Company) or any other transfer of value by the Company or any Subsidiary to any such Affiliate, (h) payments by the Company or any Subsidiary to or on behalf of any Affiliate of the Company or any Subsidiary in connection with out-of-pocket expenses incurred in connection with any public or private offering, other issuance or sale of stock by the Company or an Affiliate of the Company or other transaction for the benefit of the Company or any Subsidiary, (i) transactions disclosed in the Form S-4, (j) Permitted Charitable Contributions, (k) any transaction (if part of a series of related transactions, together with such related transactions) involving consideration or value of less than US$15,000,000, (l) transactions permitted under Section 6.08(m), 6.08(u) or 6.08(v), (m) transactions pursuant to agreements with TripAdvisor, Inc. and its Subsidiaries entered into in connection with the separation of TripAdvisor, Inc. from the Company, in each case substantially as described in the TripAdvisor, Inc. Form S-4 as filed with the SEC on July 27, 2011, as amended, (n) transactions engaged by a Person that is not a Subsidiary on the Restatement Effective Date, which transactions are engaged pursuant to agreements or arrangements in existence at the time such Person becomes a Subsidiary or is merged or consolidated with or into the Company or a Subsidiary (provided that (i) such agreements or arrangements were not entered into in connection with or in contemplation of such Person becoming a Subsidiary or such merger or consolidation and (ii) immediately prior to such Person becoming a Subsidiary or such merger

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return of or on the capital contributed (it being understood that the amount added back pursuant to this clause (B) may not exceed the original amount of such capital contribution made in reliance on this clause (m)); (ii) in addition to the limitations in clause (i), the aggregate fair value of Intellectual Property so disposed or transferred since the Restatement Effective Date shall not exceed US$200,000,000 (it being agreed that (A) the value of Intellectual Property shall be reasonably determined by the Company as of the time of the applicable disposition or transfer, (B) Intellectual Property that has de minimis fair value as reasonably determined by the Company may be treated as having zero fair value, (C) for the avoidance of doubt, disclosure of Intellectual Property shall not be deemed a transfer or disposition subject to this Section 6.08, (D) non-exclusive licenses of Intellectual Property shall not count against the cap set forth in this clause (ii), (E) the transfer of the legal ownership or an exclusive license of any Registered Intellectual Property, any application for registration and issuance thereof, source code or any databases shall count against the cap set forth in this clause (ii) and (F) dispositions or transfers of know-how, show-how and, subject to clause (E) above, data in electronic form and other technical or business information, in each case, in the ordinary course of business of the Company and its Subsidiaries shall not otherwise count against the cap in this clause (ii) and (iii) no disposition or transfer of Equity Interests in any Domestic Subsidiary (other than a CFC Holdco, the New Headquarters SPV or the New Headquarters Parent SPV) shall be permitted by this clause (m);

(n) dispositions or transfers by any Loan Party in the form of (i) the contribution or other disposition to a Subsidiary that is not a Loan Party of Equity Interests in, or Indebtedness of, any CFC Holdco, Foreign Subsidiary or Specified Foreign Subsidiary owned directly by such Loan Party in exchange for Equity Interests in (or additional share premium or paid in capital in respect of Equity Interests in), or Indebtedness of, such Subsidiary that is not a Loan Party, or a combination of any of the foregoing, and (ii) an exchange of Equity Interests in any CFC Holdco, Foreign Subsidiary or Specified Foreign Subsidiary for Indebtedness of, or of Indebtedness of such CFC Holdco, Foreign Subsidiary or Specified Foreign Subsidiary for Equity Interests in, such CFC Holdco, Foreign Subsidiary or Specified Foreign Subsidiary;

(o) Permitted Charitable Contributions;

(p) dispositions or transfers of any New Headquarters Assets to the New Headquarters SPV;

(q) any transactions involving consideration or value of less than US$2,000,000 individually;

(r) the Classic Vacations Transactions;

(s) dispositions or transfers by any Loan Party in the form of (i) the contribution or other disposition to a Domestic Subsidiary (other than any Domestic Subsidiary that is expressly excluded from being a Designated Subsidiary pursuant to clauses (i) through (vi) of the definition of such term) of Equity Interests in, or Indebtedness of, any other Subsidiary owned directly by such Loan Party in exchange for Equity Interests in (or
additional share premium or paid in capital in respect of Equity Interests in), or Indebtedness of, such Domestic Subsidiary, or a combination of any of the foregoing, and (ii) an exchange of Equity Interests in any Domestic Subsidiary for Indebtedness of, or of Indebtedness of such Domestic Subsidiary for Equity Interests in, such Domestic Subsidiary;

(t) sales, transfers and other distributions of any Equity Interest in the Company (it being understood that if such sale, transfer or other disposition constitutes a Restricted Payment, it shall be subject to Section 6.05); and

(u) (i) the Egencia Disposition and (ii) sales, transfers, leases or other dispositions of (A) the assets or properties comprising the Egencia Business or the Equity Interests in any Egencia Business Subsidiary and (B) intercompany receivables owed by or to any Egencia Business Subsidiary (but not cash, Permitted Investments or other cash equivalents, except as described below), in each case under this clause (ii), in connection with the Egencia Disposition; provided that, notwithstanding anything to the contrary in this clause (u), (1) the settlement, in connection with the Egencia Disposition, for cash, Permitted Investments or other cash equivalents of intercompany receivables arising in the ordinary course of business and owed to any Egencia Business Subsidiary shall be permitted and (2) the contribution of cash, Permitted Investments or other cash equivalents to fund the settlement, in connection with the Egencia Disposition, of intercompany receivables arising in the ordinary course of business and owed by any Egencia Business Subsidiary shall be permitted; and

(v) dispositions or transfers (including, in the case of Intellectual Property, in the form of exclusive or non-exclusive licenses) of assets to any Borrower Group Member (as defined in the Foreign Facility Credit Agreement), other than dispositions or transfers (including, in the case of Intellectual Property, in the form of exclusive licenses, but excluding in the form of non-exclusive licenses) of (A) Registered Intellectual Property that, individually or in the aggregate, is material to the business or operations of the Company and its Subsidiaries in the ordinary course of business, (B) Equity Interests in any Loan Party that is not a Borrower Group Member and (C) all or substantially all of the assets of the Company and the other Loan Parties, on a consolidated basis;

Notwithstanding anything to the contrary in this Section or any other provision of this Agreement, the Company will not, and will not permit any Subsidiary to, sell, transfer, lease or otherwise dispose of any Equity Interests or other assets to any Person other than the Company or any Subsidiary if such Equity Interests or other assets represent all or substantially all of the assets of the Company and the Subsidiaries, on a consolidated basis.

For the avoidance of doubt, no loan by the Company or any of its Subsidiaries to the Company or any of its Subsidiaries shall constitute a sale, transfer, lease or other disposition subject to the restrictions set forth in this Section 6.08.

SECTION 6.09. Use of Proceeds and Letters of Credit; Margin Regulations. (a) The Company will not, and will not permit any Subsidiary to, use the proceeds of the Loans for
time of such advances to be treated as expenses of the Company or such Subsidiary for accounting purposes and that are made in the ordinary course of business;

(k) loans or advances to directors, officers, employees and consultants (or their respective estates, heirs, family members, spouses and former spouses, domestic partners and former domestic partners or beneficiaries under their respective estates) of the Company or any Subsidiary (i) in connection with such Person’s purchase of Equity Interests in the Company, provided that no cash or Permitted Investments is actually advanced pursuant to this clause (i) other than to pay Taxes due in connection with such purchase, and (ii) for other purposes, provided that the aggregate amount of Investments permitted by this clause (ii) shall not exceed US$10,000,000 at any time outstanding;

(l) Investments in the ordinary course of business consisting of (i) endorsements for collection or deposit and (ii) customary trade arrangements with customers;

(m) Guarantees of obligations of any Subsidiary in respect of leases (other than Capital Lease Obligations) and Guarantees of other obligations of any Subsidiary or the Company that do not constitute Indebtedness;

(n) Investments held by a Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into the Company or a Subsidiary in a transaction permitted hereunder) after the Restatement Effective Date; provided that such Investments exist at the time such Person becomes a Subsidiary (or is so merged or consolidated) and are not made in contemplation of or in connection with such Person becoming a Subsidiary (or such merger or consolidation);

(o) any Acquisition or other Investment to the extent consideration therefor is paid solely with shares of common stock in the Company;

(p) any other Acquisition or other Investment; provided that, immediately prior to the consummation thereof, and immediately after giving pro forma effect thereto, including to any related incurrence of Indebtedness, (i) no Event of Default shall have occurred and be continuing and (ii) the Company shall be in pro forma compliance with the covenant set forth in Section 6.10 (whether or not then in effect and, prior to December 31, 2021, using the covenant level specified for December 31, 2021);

(q) any Investment made in connection with any Securitization Transaction permitted by Sections 6.01 and 6.02;

(r) Investments by the Company or any other Loan Party in any Subsidiary that is not a Loan Party to the extent made with cash, Permitted Investments or cash equivalents necessary to fund an Acquisition or Investment permitted by clause (p) above or clause

(v) below;

(s) to the extent constituting Investments, sales, transfers and other dispositions permitted by Sections 6.08(m), 6.08(n), 6.08(p), 6.08(s) and 6.08(sy);
(t) advances in the form of a prepayment of expenses, so long as such expenses are being paid in accordance with customary trade terms of the Company and its Subsidiaries;

(u) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers;

(v) any other Acquisition or other Investment; provided that (i) the aggregate amount of Acquisitions and other Investments permitted by this clause (v) shall not exceed US$500,000,000 at any time outstanding and (ii) in addition to the limitation set forth in clause (i), the aggregate amount of Investments permitted by this clause (v) that do not constitute Acquisitions shall not exceed US$150,000,000 at any time outstanding;

(w) Investments in the form of Permitted Call Spread Swap Agreements;

(x) Investments pursuant to, or arising from, the SilverRail Transactions; and

(y) Investments made by the Company or any Subsidiary in any Egencia Business Subsidiary in the form of a transfer of any assets or properties comprising the Egencia Business and any intercompany receivables owed by or to any Egencia Business Subsidiary (but not cash, Permitted Investments or other cash equivalents, except as described below), in connection with the Egencia Disposition; provided that, notwithstanding anything to the contrary in this clause (y), (1) the settlement, in connection with the Egencia Disposition, for cash, Permitted Investments or other cash equivalents of intercompany receivables arising in the ordinary course of business and owed to any Egencia Business Subsidiary shall be permitted and (2) the contribution of cash, Permitted Investments or other cash equivalents to fund the settlement, in connection with the Egencia Disposition, of intercompany receivables arising in the ordinary course of business and owed by any Egencia Business Subsidiary shall be permitted.

SECTION 6.13. Maintenance of Borrowing Subsidiaries as Wholly Owned Subsidiaries. Notwithstanding anything to the contrary herein, the Company will not permit any Borrowing Subsidiary to cease to be a Wholly Owned Subsidiary; provided that this Section shall not prohibit any merger or consolidation of a Borrowing Subsidiary consummated in accordance with Section 6.04 or 6.08 so long as the surviving or continuing Person shall be a Wholly Owned Subsidiary that is a Domestic Subsidiary and a Loan Party.
Each Lender and Issuing Bank acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender and Issuing Bank further represents that it is engaged in making, acquiring or holding commercial loans and letters of credit in the ordinary course of its business and that it has, independently and without reliance upon either Agent, any Arranger or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Issuing Bank also acknowledges that it will, independently and without reliance upon either Agent, any Arranger or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Each Lender and Issuing Bank, by delivering its signature page to this Agreement or the Restatement Agreement, or delivering its signature page to an Assignment and Assumption or an Issuing Bank Agreement pursuant to which it shall become a Lender or an Issuing Bank, as the case may be, hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on or prior to the Restatement Effective Date.

Each Lender and Issuing Bank hereby agrees that (a) if the Administrative Agent notifies such Lender or Issuing Bank that the Administrative Agent has determined in its sole discretion that any funds received by such Lender or Issuing Bank from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a “Payment”) were erroneously transmitted to such Lender or such Issuing Bank (whether or not known to such Lender or Issuing Bank) (any such Payment or any Payment identified as an Erroneous Payment in the immediately following paragraph, an “Erroneous Payment”), and demands the return of such Erroneous Payment (or a portion thereof), such Lender or Issuing Bank, as the case may be, shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender or Issuing Bank to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (b) to the extent permitted by applicable law, such Lender or Issuing Bank shall not assert, and hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments received, including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Administrative Agent to any Lender or Issuing Bank under this paragraph shall be conclusive, absent manifest error.
Each Lender and Issuing Bank hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (a) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a “Payment Notice”) or (b) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment and that such Payment is, accordingly, an Erroneous Payment. Each Lender and Issuing Bank agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error (and, accordingly, that such Payment (or portion thereof) is an Erroneous Payment), such Lender or Issuing Bank, as the case may be, shall promptly notify the Administrative Agent of such occurrence, and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender or Issuing Bank to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

Each of the Borrowers and each other Loan Party hereby agrees that (a) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender or Issuing Bank that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender or Issuing Bank, as the case may be, with respect to such amount and (b) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Secured Obligations owed by any Borrower or any other Loan Party, provided that this paragraph shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Secured Obligations of any Borrower or any other Loan Party relative to the amount (and/or timing for payment) of the Secured Obligations that would have been payable had such Erroneous Payment not been made; provided, further, that for the avoidance of doubt, the immediately preceding clauses (a) and (b) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from any Borrower or any other Loan Party for the purpose of making any payment hereunder that became subject to such Erroneous Payment.

Each party’s obligations under the immediately preceding three paragraphs shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Secured Obligations (or any portion thereof) under the Loan Documents.

Notwithstanding anything herein to the contrary, no Arranger and no Person listed on the cover page of this Agreement as a “Co-Syndication Agent” or a “Co-Documentation Agent” shall have any duties or obligations under this Agreement or any other Loan Document (except in its capacity, as applicable, as a Lender or an Issuing Bank), but all such Persons shall
SECTION 9.02. Waivers; Amendments. (a) No failure or delay by either Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the generality of the foregoing, the execution and delivery of this Agreement, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether either Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as set forth in Sections 2.09(d), 2.14(b) and 9.02(c) and the definition of the term LC Commitment, neither any Loan Document nor any provision thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by each Borrower and the Required Lenders, or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are party thereto, in each case with the consent of the Required Lenders; provided that (i) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Company and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency so long as, in each case, the Lenders shall have received at least 10 Business Days’ prior written notice thereof and the Administrative Agent shall not have received, within 10 Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment and (ii) no such agreement shall (A) increase the Commitment of any Lender without the written consent of such Lender, (B) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon (other than as a result of any waiver of any increase in the interest rate applicable to any Loan or LC Disbursement pursuant to Section 2.13(d)), or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (C) postpone the scheduled maturity date of any Loan or the required date of reimbursement of any LC Disbursement, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, or waive, amend or modify Section 7.01(a), without the written consent of each Lender affected thereby, (D) change Section 2.18(b) or 2.18(c) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender, (E) change any of the provisions of this Section or the percentage set forth in the definition of the term “Required Lenders” or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any...
this Section, to (A) any rating agency in connection with rating the Company or the Subsidiaries or the credit facilities provided for herein or (B) the CUSIP Service Bureau in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein or (xi) to market data collectors, including league table providers, and other services providers to the lending industry, in each case, information of the type routinely provided to such service providers. For the purposes of this Section, “Information” means all information received from the Loan Parties relating to the Company, its Subsidiaries or their business, other than any such information that is available to either Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by a Loan Party; provided that, in the case of information received from a Loan Party after the Restatement Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. Each of the Agents and the Borrowers agrees to keep each COF Rate (but not the Average COF Rate) confidential and not to disclose it to any other Person, and the Company further agrees to cause its Subsidiaries not to disclose any COF Rate to any other Person, except that (i) in the event a Eurocurrency Borrowing or a SONIA Borrowing is to bear interest by reference to the Average COF Rate as provided in Section 2.14, the Administrative Agent shall promptly disclose the COF Rate of each Lender, as communicated by such Lender to the Administrative Agent, to the Company, and (ii) each of the Agents and the Borrowers may disclose any COF Rate (i) to any of its Affiliates and any of its or their respective Related Parties or auditors; provided that any such Person to whom such COF Rate is to be disclosed is informed in writing of its confidential nature and that it may be price-sensitive information; provided further that there shall be no requirement to so inform such Person if, in the opinion of the disclosing party, it is not practicable to do so under the circumstances, (ii) to any Person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the Person to whom such COF Rate is to be disclosed is informed in writing of its confidential nature and that it may be price-sensitive information; provided that there shall be no requirement to so inform such Person if, in the opinion of the disclosing party, it is not practicable to do so under the circumstances, (iii) to the extent required by applicable law or by any subpoena or similar legal process, and (iv) the Agents, the Company or any of its Subsidiaries may disclose any COF Rate to any Person (x) with the consent of the relevant Lender, (y) pursuant to applicable law or compulsory legal process and (z) to the extent customary or required in any public or regulatory filing. The Agents and the Borrowers agree to, and the Company shall cause its Subsidiaries to, to the extent permitted by applicable law, (x) inform each relevant Lender of the circumstances of any disclosure made pursuant to this paragraph and (y) notify each relevant Lender upon becoming aware that any information has been disclosed in breach of this paragraph. No Default or Event of Default shall arise under Section 7.01(e) solely by reason of the failure of the Borrowers to comply with this paragraph.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such
Exhibit B

Exhibit B to Credit Agreement

[See attached.]
Ladies and Gentlemen:

Reference is made to the Amended and Restated Credit Agreement dated as of May 5, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Expedia Group, Inc., a Delaware corporation (the “Company”), the Borrowing Subsidiaries from time to time party thereto, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and London Agent. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

This notice constitutes a Borrowing Request and [the Borrower specified below] [the Company on behalf of the Borrowing Subsidiary specified below] hereby gives you notice, pursuant to Section 2.03 of the Credit Agreement, that it requests a Borrowing under the Credit Agreement, and in connection therewith specifies the following information with respect to such Borrowing:

(A) Name of Borrower:____________________________________

(B) Class of Borrowing:1 ________________________________

(C) Currency and aggregate principal amount of Borrowing:2 _____________

(D) Date of Borrowing (which is a Business Day): _______________

(E) Type of Borrowing:3 ________________________________

1 Specify a Borrowing of Tranche 1 Revolving Loans or Tranche 2 Revolving Loans.
2 Must comply with Section 2.02(c) of the Credit Agreement. If no currency is specified with respect to any requested Borrowing, then the applicable Borrower shall be deemed to have selected US Dollars.
3 Specify ABR Borrowing (if denominated in US Dollars), SONIA Borrowing or Eurocurrency Borrowing. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (a) in the case of a Borrowing denominated in US Dollars, an ABR Borrowing, (b) in the case of a Borrowing denominated in Sterling, a SONIA Borrowing and (c) in the case of a Borrowing denominated in any other currency, a Eurocurrency Borrowing.
(F) Interest Period and the last day thereof:

(G) Location and number of the Borrower’s account to which proceeds of the requested Borrowing are to be disbursed:

[Name of Bank] (Account No.: ________________________________)

[Issuing Bank to which proceeds of the requested Borrowing are to be disbursed: ________________________________]

[The Borrower specified above] [The Company, on behalf of the Borrowing Subsidiary specified above,] hereby certifies that the conditions specified in Sections 4.02(a), 4.02(b), [and] 4.02(c) [and 4.02(d)] of the Credit Agreement have been satisfied.

[Signature Page Follows]

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4 Applicable to Eurocurrency Borrowings only. Shall be subject to the definition of “Interest Period” and can be a period of one, two (solely in the case of Borrowings denominated in Canadian Dollars), three or six months (or, with the consent of each Lender participating in the requested Borrowing, twelve months) thereafter. If an Interest Period is not specified, then the applicable Borrower shall be deemed to have selected an Interest Period of one month’s duration.

5 Specify only in the case of an ABR Borrowing requested to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) of the Credit Agreement.

6 Applicable to Tranche 1 Revolving Borrowings only (other than ABR Borrowings made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) of the Credit Agreement).

7 Subject to the last sentence of Section 4.02 of the Credit Agreement.
Very truly yours,

[EXPEDIA GROUP, INC.]
[NAME OF BORROWING SUBSIDIARY]

By:

    Name:
    Title:
WHEREAS, the Lenders have agreed to extend credit to the Borrower under the Credit Agreement on the terms and subject to the conditions set forth therein;

WHEREAS, a Benchmark Transition Event has occurred with respect to the LIBO Rate for Loans denominated in Sterling, and pursuant to Section 2.14(b)(i) of the Credit Agreement, the Administrative Agent and the Company desire to implement certain amendments to the Credit Agreement to replace, with respect to Loans denominated in Sterling, the LIBO Rate with Adjusted Daily Simple SONIA, together with the related Benchmark Replacement Conforming Changes;

WHEREAS, the Company has requested that the Lenders agree to effect certain other amendments to the Credit Agreement as set forth hereinafter; and

WHEREAS, the parties hereto, which include Lenders constituting the Required Lenders as of the Fourth Amendment Effective Date (as defined below), are willing to amend the Credit Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Defined Terms. Capitalized terms used but not otherwise defined herein (including in the preamble and the recitals hereto) have the meanings assigned to them in the Credit Agreement (as amended hereby).

SECTION 2. Amendment of Credit Agreement. Effective as of the Fourth Amendment Effective Date:

(a) The Credit Agreement (excluding any of the Exhibits or Schedules thereto (other than as provided in paragraph (b) below)) is hereby amended by deleting the language indicated by strikethrough text (indicated textually in the same manner as the following example: stricken text) and by inserting the language indicated in double underlined text (indicated textually in the same manner as the following example: double-underlined text), all as set forth in the pages of the Credit Agreement attached as Exhibit A hereto and made a part hereof.
Exhibit B to the Credit Agreement is hereby amended and restated to be in the form of Exhibit B attached hereto and made a part hereof.

SECTION 3. Representations and Warranties. Each of the Company and the Borrower represents and warrants to the Lenders that:

(c) This Amendment has been duly executed and delivered by each of the Company and the Borrower and (assuming due execution by the parties hereto other than the Company and the Borrower) constitutes a legal, valid and binding obligation of the Company and the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(d) Before and after giving effect to this Amendment, the representations and warranties set forth in Article III of the Credit Agreement are true and correct in all material respects (in all respects in the case of representations and warranties qualified by materiality in the text thereof) on and as of the Fourth Amendment Effective Date with the same effect as if made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case they were so true and correct as of such earlier date.

(e) As of the Fourth Amendment Effective Date, before and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

SECTION 4. Effectiveness. This Amendment shall become effective as of the first date (the “Fourth Amendment Effective Date”) on which the Administrative Agent shall have signed a counterpart of this Amendment and shall have received from the Company, the Borrower, each other Loan Party and Lenders constituting at least the Required Lenders a counterpart of this Amendment executed by such Person (which, subject to Section 9.06(b) of the Credit Agreement, may include any Electronic Signatures transmitted by fax, emailed pdf or any other electronic means that reproduces an image of an actual executed signature page of this Amendment). The Administrative Agent shall notify the Company and the Lenders of the Fourth Amendment Effective Date, and such notice shall be conclusive and binding.

SECTION 5. Reaffirmation of Guarantee. Each of the Company, the Borrower and the other Loan Parties party hereto, by its signature below, hereby (a) agrees that, notwithstanding the effectiveness of this Amendment and the transactions contemplated hereby, the Guarantee Agreement continues to be in full force and effect and (b) affirms and confirms its Guarantee of the Loan Document Obligations as provided in the Guarantee Agreement, and acknowledges and agrees that such Guarantee continues in full force and effect in respect of the Loan Document Obligations under the Credit Agreement and the other Loan Documents.

SECTION 6. Effect of this Amendment. (a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a
waiver of, or otherwise affect the rights and remedies of the Agents or the Lenders under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to any other consent to, or any other waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

(b) On and after the Fourth Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “herein”, “hereunder”, “hereto”, “hereof” and words of similar import shall, unless the context otherwise requires, refer to the Credit Agreement as amended hereby, and each reference to the Credit Agreement in any other Loan Document shall be deemed to be a reference to the Credit Agreement as amended hereby. This Amendment shall constitute a “Loan Document” for all purposes of the Credit Agreement and the other Loan Documents.

SECTION 7. Applicable Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 8. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which, when taken together, shall constitute a single instrument.

SECTION 9. Fees and Expenses. The Company agrees to reimburse the Administrative Agent for its reasonable out-of-pocket expenses in connection with this Amendment, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore LLP, counsel for the Administrative Agent. All fees shall be payable in immediately available funds and shall not be refundable.

SECTION 10. Headings. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

SECTION 11. Incorporation by Reference. The provisions of Sections 9.06(b), 9.07, 9.09(b), 9.09(c), 9.09(d), 9.10 and 9.11 of the Credit Agreement are hereby incorporated by reference as if set forth in full herein, mutatis mutandis.

[Signature Pages Follow]
IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the date first above written.

EXPEDIA GROUP, INC.

by:

/s/ MICHAEL MARRON
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary

EXPEDIA GROUP INTERNATIONAL HOLDINGS III, LLC

by:

/s/ MICHAEL MARRON
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary
EXPEDIA, INC.
TRAVELSCAPE, LLC
HOTWIRE, INC.
HOTELS.COM, L.P.
EAN.COM, LP
INTERACTIVE AFFILIATE NETWORK, LLC
EXPEDIA LX PARTNER BUSINESS, INC.
WWTE, INC.
CARRENTALS.COM, INC.
CRUISE, LLC
ORBITZ WORLDWIDE, INC.
O HOLDINGS INC.
ORBITZ FINANCIAL CORP.
ORBITZ FOR BUSINESS, INC.
ORBITZ, INC.
TRIP NETWORK, INC.
ORBITZ, LLC
ORBITZ WORLDWIDE, LLC
HOMEAWAY SOFTWARE, INC.
HOMEAWAY.COM, INC.
BEDANDBREAKFAST.COM, INC.
VRBO HOLDINGS, INC.
EXPEDIA GROUP COMMERCE, INC.
HIGHER POWER NUTRITION COMMON HOLDINGS, LLC
LEMS I LLC
LIBERTY PROTEIN, INC.
EXP GLOBAL HOLDINGS, INC.
EXPEDIA GROUP INTERNATIONAL HOLDINGS II, LLC
EXPEDIA GROUP INTERNATIONAL HOLDINGS IV, LLC

by:

/s/ MICHAEL MARRON
Name: Michael S. Marron
Title: Senior Vice President, Legal and Assistant Secretary
HOTELS.COM GP, LLC
HRN 99 HOLDINGS, LLC

by:    /s/ MICHAEL MARRON
Name:  Michael S. Marron
Title:  Manager

LEMS I LLC, a Delaware limited liability
company, on behalf of
LEXE MARGINCO, LLC, and
LEXEB, LLC

by:    /s/ MICHAEL MARRON
Name:  Michael S. Marron
Title:  Manager

EG EUROPEAN HOLDINGS LLC

by:    /s/ ROBERT DZIELAK
Name:  Robert J. Dzielak
Title:  Chief Legal Officer & Secretary

EXPEDIA.COM LIMITED
EXPEDIA TREASURY SERVICES LIMITED

by:    /s/ ROBERT DZIELAK
Name:  Robert J. Dzielak
Title:  Director

EXP HOLDINGS LUXEMBOURG S.À R.L.
WWTE TRAVEL S.À R.L.

by:    /s/ ROBERT DZIELAK
Name:  Robert J. Dzielak
Title:  Director

EXPEDIA LODGING PARTNER
SERVICES SÀRL

by:    /s/ ROBERT DZIELAK
Name:  Robert J. Dzielak
Title:  Director
EXP CH HOLDING SÀRL

by: /s/ ROBERT DZIELAK
    Name: Robert J. Dzielak
    Title: Director
Executed and delivered as a deed for and on behalf of BEX Travel Asia Pte. Ltd. in accordance with Section 41B(1) of the Companies Act, Chapter 50 of Singapore,

BEX TRAVEL ASIA PTE. LTD.

/s/ JONATHON NEAL
Director
Name: Jonathon Sinclair Neal

Witnessed by:
Name: Cristy L. Denton
Address: 1111 Expedia Group Way W
Seattle, WA 98119

/s/ CRISTY DENTON
Executed and delivered as a deed for and on behalf of Expedia Southeast Asia Pte. Ltd. in accordance with Section 41B(1) of the Companies Act, Chapter 50 of Singapore,

EXPEDIA SOUTHEAST ASIA PTE. LTD.

/s/ ROBERT DZIELAK  
Director  
Name: Robert J. Dzielak  

Witnessed by:  
/s/ CRISTY DENTON  
Name: Cristy L. Denton  
Address: 1111 Expedia Group Way W  
Seattle, WA 98119
Executed and delivered as a deed for and on behalf of EXP SG Holding Pte. Ltd. in accordance with Section 41B(1) of the Companies Act, Chapter 50 of Singapore,

EXP SG HOLDING PTE. LTD.

/s/ ROBERT DZIELAK
Director
Name: Robert J. Dzielak

Witnessed by:
/s/ CRISTY DENTON
Name: Cristy L. Denton
Address: 1111 Expedia Group Way W
Seattle, WA 98119
JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent,

by:

/s/ JOHN KOWALCZUK
Name: John Kowalczuk
Title: Executive Director
Name of Institution: Bank of America, N.A.

by:

/s/ ERIC RIDGWAY
Name: Eric Ridgway
Title: Director

Name of Institution: BNB PARIBAS

by:

/s/ BARBARA NASH
Name: Barbara Nash
Title: Managing Director

Name of Institution: BNB PARIBAS

by:

/s/ MARIA MULIC
Name: Maria Mulic
Title: Managing Director

Name of Institution: Mizuho Bank, Ltd.

by:

/s/ TRACY RAHN
Name: Tracy Rahn
Title: Executive Director

Name of Institution: HSBC BANK USA, NATIONAL ASSOCIATION

by:

/s/ ERIC BALTAZAR
Name: Eric A. Baltazar
Title: Vice President

Name of Institution: MUFG Bank, Ltd.

by:

/s/ JOSEPH SIRI
Name: Joseph Siri
Title: Vice President
Name of Institution: Royal Bank of Canada
by:
    /s/ REHAN ALI
    Name: Rehan Ali
    Title: Vice President, Corporate Client Group

Name of Institution: U.S. Bank National Association
by:
    /s/ STEVEN SAWYER
    Name: Steven L. Sawyer
    Title: Senior Vice President

Name of Institution: THE BANK OF NOVA SCOTIA
by:
    /s/ TODD KENNEDY
    Name: Todd Kennedy
    Title: Managing Director

Name of Institution: Goldman Sachs Bank USA
by:
    /s/ MAHESH MOHAN
    Name: Mahesh Mohan
    Title: Authorized Signatory

Name of Institution: Standard Chartered Bank
by:
    /s/ KRISTOPHER TRACY
    Name: Kristopher Tracy
    Title: Director, Financing Solutions
Exhibit A

Amendments to Credit Agreement

[See attached.]
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Exhibit D-1 — Form of US Tax Compliance Certificate (For Non-U.S. Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
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Exhibit D-3 — Form of US Tax Compliance Certificate (For Non-U.S. Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit D-4 — Form of US Tax Compliance Certificate (For Non-U.S. Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit E — Form of Intercompany Indebtedness Subordination Agreement
CREDIT AGREEMENT dated as of August 5, 2020, among EXPEDIA GROUP, INC., a Delaware corporation; EXPEDIA GROUP INTERNATIONAL HOLDINGS III, LLC, a Delaware limited liability company; the LENDERS from time to time party hereto; and JPMORGAN CHASE BANK, N.A., as Administrative Agent and London Agent.

The parties hereto agree as follows:

ARTICLE I
Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, shall bear interest at a rate determined by reference to the Alternate Base Rate.

“Acquisition” means any acquisition, or series of related acquisitions (including pursuant to any merger or consolidation), of property that constitutes (a) assets comprising all or substantially all of a division, business or operating unit or product line of any Person or (b) at least a majority of the Equity Interests in a Person.

“Adjusted Daily Simple SONIA” means, with respect to any Borrowing denominated in Sterling, an interest rate per annum equal to (a) the Daily Simple SONIA plus (b) 0.0326%.

“Adjusted LIBO Rate” means, with respect to any Eurocurrency Borrowing denominated in US Dollars for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1% (with 0.005% being rounded up)) equal to the product of (a) the LIBO Rate for US Dollars for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Administrative Agent” means JPMorgan Chase Bank, N.A., in its capacity as administrative agent hereunder and under the other Loan Documents, and its successors in such capacity as provided in Article VIII, or such Affiliates or branches thereof as it shall from time to time designate by notice to the Company and the Lenders for the purpose of performing any of its obligations hereunder or under any other Loan Document.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.
“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly Controls or is Controlled by or is under common Control with the Person specified.

“Affiliated Holders” means, with respect to any specified natural person, (a) such specified natural person’s parents, spouse, siblings, descendants, step children, step grandchildren, nieces and nephews and their respective spouses, (b) the estate, legatees and devisees of such specified natural person and each of the persons referred to in clause (a) of this definition, and (c) any company, partnership, trust or other entity or investment vehicle created for the benefit of, or Controlled by, such specified natural person or any of the persons referred to in clause (a) or (b) of this definition or the holdings of which are for the primary benefit of such specified natural person or any of the persons referred to in clause (a) or (b) of this definition or created by any such person for the benefit of any charitable organization or for a charitable purpose.

“Agents” means the Administrative Agent and the London Agent.

“Agreement” means this Credit Agreement.

“Agreement Currency” has the meaning assigned to such term in Section 9.15(b).

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% per annum and (c) the Adjusted LIBO Rate on such day (or if such day is not a Business Day, the immediately preceding Business Day) for a deposit in US Dollars with a maturity of one month plus 1% per annum. For purposes of clause (c) above, the Adjusted LIBO Rate on any day shall be based on the applicable Screen Rate (or, if such Screen Rate is not available for a maturity of one month with respect to US Dollars but is available for periods both longer and shorter than such period, the Interpolated Screen Rate) at approximately 11:00 a.m., London time, on such day for deposits in US Dollars with a maturity of one month; provided that if such rate shall be less than zero, such rate shall be deemed to be zero. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until an amendment hereto has become effective pursuant to Section 2.14(b) with respect to Eurocurrency Loans denominated in US Dollars), then for purposes of clause (c) above the Adjusted LIBO Rate shall be deemed to be zero. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, as the case may be.

“Ancillary Document” has the meaning assigned to such term in Section 9.06(b).

“Annualized Basis” means, when used in reference to any calculation of Leverage Ratio, (a) in the case of any calculation of Leverage Ratio as of any date prior to June 30, 2022, that Consolidated EBITDA used in the denominator thereof be calculated on an annualized basis using Consolidated EBITDA for the two consecutive fiscal quarter period of the Company most recently ended on or prior to such date multiplied by two and (b) in the case of any calculation of Leverage Ratio as of June 30, 2022, that Consolidated EBITDA used in the denominator thereof
be calculated on an annualized basis using Consolidated EBITDA for the three consecutive fiscal quarter period of the Company ending on March 31, 2022 multiplied by 4/3.

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to the Company or any of its Subsidiaries from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977.

“Applicable Agent” means (a) with respect to a Loan or Borrowing denominated in US Dollars or Canadian Dollars, and with respect to any payment hereunder that does not relate to a particular Loan or Borrowing, the Administrative Agent and (b) with respect to a Loan or Borrowing denominated in any currency other than US Dollars or Canadian Dollars, the London Agent.

“Applicable Creditor” has the meaning assigned to such term in Section 9.15(b).

“Applicable Rate” means, for any day, with respect to any ABR Loan, SONIA Loan or Eurocurrency Loan, or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below in the Pricing Grid under the caption “ABR Spread”, “Eurocurrency / SONIA Spread” or “Commitment Fee Rate”, as the case may be, based upon the Company’s senior unsecured non-credit-enhanced long-term debt ratings from S&P and Moody’s as of such date; provided that (a) notwithstanding the foregoing but subject to clause (b) below, prior to December 31, 2021, the “Applicable Rate” for any day shall mean (i) in the case of Loans, 1.50% per annum with respect to ABR Loans and 2.50% per annum with respect to Eurocurrency Loans and SONIA Loans and (ii) in the case of the commitment fees payable hereunder, 0.30% per annum and (b) in the event the Leverage Condition shall have been satisfied as of the end of the fiscal year or fiscal quarter of the Company ended after the Closing Date for which the consolidated financial statements of the Company have been most recently delivered pursuant to Section 5.01(a) or 5.01(b), then, on the third Business Day following the delivery of the related compliance certificate pursuant to Section 5.01(c) demonstrating such satisfaction, the provisions of clause (a) above shall cease to apply until the third Business Day following the next delivery of the consolidated financial statements of the Company pursuant to Section 5.01(a) or 5.01(b); provided further that in the event the Company has not delivered any consolidated financial statements required to be delivered by it pursuant to Section 5.01(a) or 5.01(b), then the provisions of clause (b) above shall cease to apply from and after the date such consolidated financial statements were required to have been so delivered and until the third Business Day following the date such consolidated financial statements are so delivered.

**Pricing Grid**
(basis points per annum)

<table>
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<th>Level</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
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<td>BBB by S&amp;P/Baa2 by Moody’s</td>
<td>BBB- by S&amp;P/Baa3 by Moody’s</td>
<td>BB+ by S&amp;P/Ba1 by Moody’s</td>
<td>Lower than BB+ by S&amp;P/Ba1 by Moody’s or unrated</td>
</tr>
</tbody>
</table>

[[5733040]]
For purposes of the foregoing Pricing Grid, (i) if either Moody’s or S&P shall not have in effect a rating for the Company’s senior unsecured non-credit-enhanced long-term debt (other than by reason of the circumstances referred to in the last sentence of this definition), then the Commitment Fee Rate, the Eurocurrency / SONIA Spread and the ABR Spread shall be based upon the rating of the other rating agency; (ii) if neither Moody’s nor S&P shall have in effect a rating for the Company’s senior unsecured non-credit-enhanced long-term debt (other than by reason of the circumstances referred to in the last sentence of this definition), then the Commitment Fee Rate, the Eurocurrency / SONIA Spread and the ABR Spread shall be based upon Level 5 set forth in the foregoing Pricing Grid; (iii) if the ratings or deemed ratings by S&P and Moody’s shall fall within different Levels, the Commitment Fee Rate, the Eurocurrency / SONIA Spread and ABR Spread shall be based upon the higher rating, unless the ratings differ by two or more Levels, in which case the Commitment Fee Rate, the Eurocurrency / SONIA Spread and ABR Spread will be based upon the Level set forth in the foregoing Pricing Grid next below that corresponding to the higher rating; and (iv) if the rating established or deemed to have been established by Moody’s or S&P shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Rate as a result of a change in ratings or deemed ratings shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s or S&P shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate, when determined by reference to the foregoing Pricing Grid, shall be determined by reference to the ratings most recently in effect prior to such change or cessation.

“Approved Electronic Platform” means IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by any Agent to be its electronic transmission system.

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

“Arrangers” means JPMorgan Chase Bank, N.A., BofA Securities, Inc., BNP Paribas Securities Corp., Mizuho Bank, Ltd. and HSBC Bank USA, National Association in their capacities as joint lead arrangers and joint bookrunners for the credit facility provided for herein.

“Benefit Plan” means (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” means, with respect to any party, an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such party.

“Board of Governors” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Expedia Group International Holdings III, LLC, a Delaware limited liability company.

“Borrower Group Member” means (a) the Borrower, (b) any other Loan Party that is a Foreign Loan Party or a CFC Holdco and (c) any direct or indirect subsidiary (other than an Excluded Subsidiary) of the Borrower or any Person described in clause (b) above.

“Borrowing” means Loans of the same Type and currency, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

“Borrowing Minimum” means (a) in the case of a Borrowing denominated in US Dollars, US$5,000,000 (US$1,000,000 in the case of an ABR Borrowing), (b) in the case of a Borrowing denominated in Euro, €5,000,000, (c) in the case of a Borrowing denominated in Sterling, £5,000,000, (d) in the case of a Borrowing denominated in Canadian Dollars, CAD$5,000,000 and (e) in the case of a Borrowing denominated in Australian Dollars, AUD$5,000,000.

“Borrowing Multiple” means (a) in the case of a Borrowing denominated in US Dollars, US$1,000,000, (b) in the case of a Borrowing denominated in Euro, €1,000,000, (c) in the case of a Borrowing denominated in Sterling, £1,000,000, (d) in the case of a Borrowing denominated in Canadian Dollars, CAD$1,000,000 and (e) in the case of a Borrowing denominated in Australian Dollars, AUD$1,000,000.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be in the form of Exhibit B or any other form approved by the Administrative Agent.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that (a) when used in connection with a Eurocurrency Loan denominated in US Dollars or Sterling, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits denominated in such currency in the London interbank market, (b) when used in connection with a Eurocurrency Loan denominated in Euro, the term “Business Day”
shall also exclude any day that is not a TARGET Day, (c) when used in connection with a Eurocurrency Loan denominated in Canadian Dollars, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in Toronto, (d) when used in connection with a SONIA Loan, the term “Business Day” shall also exclude any day on which banks are closed for general business in London and (e) when used in connection with a Eurocurrency Loan denominated in Australian Dollars, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in Sydney.

“Canadian Dollars” or “CAD$” means the lawful money of Canada.

“Capital Lease” means any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, the obligations under which are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any Capital Lease, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. For purposes of Section 6.02 only, a Capital Lease Obligation shall be deemed to be secured by a Lien on the property being leased and such property shall be deemed to be owned by the lessee.

“Capped Adjustments” means (a) any additions to Consolidated EBITDA pursuant to clause (a)(vi) of the definition of such term and (b) any additions to Consolidated EBITDA pursuant to clause (ii) of Section 1.04(b).

“Cash Management Services” means (a) cash management and related services provided to the Company or any Subsidiary, including treasury, depository, foreign exchange, return items, overdraft, controlled disbursement, cash sweeps, zero balance arrangements, merchant stored value cards, e-payables, electronic funds transfer, interstate depository network and automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) services and credit cards, credit card processing services, credit and debit card payment processing services, debit cards, stored value cards, virtual cards (including single use virtual card accounts) and commercial cards (including so-called “‘purchase cards”, “procurement cards” or “p-cards”) arrangements and (b) letters of credit.

“CDO Rate” means, with respect to any Borrowing denominated in Canadian Dollars for any Interest Period, the applicable Screen Rate (rounded if necessary to the nearest 1/100 of 1% (with 0.005% being rounded up)) as of the Specified Time on the Quotation Date.

“Certificate of Designation” means that certain Certificate of Designations of Preferences, Rights and Limitations of Series A Preferred Stock filed by the Company with the Secretary of State of the State of Delaware, and accepted for record by the Secretary of State of the State of Delaware pursuant to the Delaware General Corporation Law, on May 5, 2020.

“CFC Holdco” means (a) any Subsidiary that has no material assets other than Equity Interests and/or Indebtedness in one or more Persons that are Foreign Subsidiaries or (b)
(b) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for US Dollar-denominated syndicated credit facilities at such time;

provided that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (a) or (b) above is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement”.

“Consolidated Adjusted Total Assets” means, at any time, (a) Consolidated Total Assets at such time minus (b) the amount of such Consolidated Total Assets attributable to goodwill in accordance with GAAP.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period (excluding, for the avoidance of doubt, amortization expense attributable to a prepaid cash item that was paid in a prior period), (iv) all losses for such period on sales or dispositions of assets outside the ordinary course of business, (v) any non-recurring non-cash charges for such period, (vi) any restructuring or other unusual, non-recurring charges for such period; provided that the amount of charges added back pursuant to this clause (vi) for such period, together with the aggregate amount of all other Capped Adjustments for such period, shall not exceed 15% of Consolidated EBITDA for such period (determined prior to giving effect to any addback for any Capped Adjustments), (vii) non-cash goodwill and intangible asset impairment charges for such period, (viii) charges for such period recognized on changes in the fair value of contingent consideration payable by, and non-cash charges for such period recognized on changes in the fair value of the noncontrolling interest in any acquiree acquired by, the Company or any Subsidiary in any business combination and non-cash charges for such period resulting from the grant of stock options or other equity-based incentives to any director, officer or employee of the Company and the Subsidiaries; provided that any cash payment made with respect to any non-cash items added back in computing Consolidated EBITDA for any prior period pursuant to clause (v), (viii) or (ix) shall be subtracted in computing Consolidated EBITDA for the period in which such cash payment is made; and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, (i) all gains for such period on sales or dispositions of assets outside the ordinary course of business, (ii) all gains for such period arising from business combinations, including gains on a “bargain purchase” and gains recognized on changes in the fair value of contingent consideration payable by, and gains recognized on changes in the fair value of the noncontrolling interest in any acquiree acquired by, the Company or any Subsidiary in connection therewith and gains for such period for changes in the fair value of minority equity investments (other than those accounted for under the equity method and those that are consolidated) of the Company or any Subsidiary, and (ix) any non-cash expenses for such period resulting from the grant of stock options or other equity-based incentives to any director, officer or employee of the Company and the Subsidiaries; provided that any cash payment made with respect to any non-cash items added back in computing Consolidated EBITDA for any prior period pursuant to clause (v), (viii) or (ix) shall be subtracted in computing Consolidated EBITDA for the period in which such cash payment is made; and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, (i) all gains for such period on sales or dispositions of assets outside the ordinary course of business, (ii) all gains for such period arising from business combinations, including gains on a “bargain purchase” and gains recognized on changes in the fair value of contingent consideration payable by, and gains recognized on changes in the fair value of the noncontrolling interest in any acquiree acquired by, the Company or any Subsidiary in connection therewith and gains for such period for changes in the fair value of minority equity investments (other than those accounted for under the equity method and those that are consolidated).
of the Company or any Subsidiary, (iii) any extraordinary gains for such period and (iv) any non-cash items of income for such period that represent the reversal of any accrual of charges referred to in clauses (a)(v), (a)(vi) or (a)(ix) above, all determined on a consolidated basis in accordance with GAAP. In the event any Subsidiary shall be a Subsidiary that is not a Wholly Owned Subsidiary, all amounts added back in computing Consolidated EBITDA for any period pursuant to clause (a) above, and all amounts subtracted in computing Consolidated EBITDA pursuant to clause (b) above, to the extent such amounts are, in the reasonable judgment of a Financial Officer, attributable to such Subsidiary, shall be reduced by the portion thereof that is attributable to the noncontrolling interest in such Subsidiary. For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters of the Company (each, a “Reference Period”) for the purposes of any determination of the Leverage Ratio, if during such Reference Period (or, in the case of pro forma calculations, during the period from the last day of such Reference Period to and including the date as of which such calculation is made) the Company or any Subsidiary shall have made a Material Disposition or Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Disposition or Material Acquisition had occurred on the first day of such Reference Period. As used in this definition, “Material Acquisition” means any Acquisition that involves consideration in excess of US$125,000,000; and “Material Disposition” means any sale, transfer or other disposition of property or series of related sales, transfers or other dispositions of property that yields gross proceeds to the Company and the Subsidiaries in excess of US$125,000,000. Notwithstanding the foregoing, but subject to the immediately preceding sentence, solely in determining the Leverage Ratio for purposes of actual, but not pro forma, compliance with the covenant set forth in Section 6.10, Consolidated EBITDA for (A) the fiscal quarter of the Company ending March 31, 2021, shall be deemed to be equal to US$176,345,882, (B) the fiscal quarter of the Company ending June 30, 2021, shall be deemed to be equal to US$568,380,482 and (C) the fiscal quarter of the Company ending September 30, 2021, shall be deemed to be equal to US$911,928,019.

“Consolidated Funded Debt” means, on any date, the sum (without duplication) for the Company and the Subsidiaries of all (a) Indebtedness (but not including any Indebtedness in the form of contingent consideration obligations of the Company or any Subsidiary incurred in connection with any business combination) that would appear on a consolidated balance sheet of the Company prepared as of such date in accordance with GAAP, (b) Capital Lease Obligations, (c) Synthetic Lease Obligations, (d) Guarantees by the Company and the Subsidiaries of Indebtedness of Persons other than the Company and the Subsidiaries, (e) obligations, contingent or otherwise, of the Company and the Subsidiaries as an account party in respect of letters of credit and (f) Securitization Transactions.

“Consolidated Net Income” means, for any period, the net income or loss of the Company and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP (after giving effect, for the avoidance of doubt, to the elimination of intercompany accounts in accordance with GAAP); provided that there shall be excluded the income or loss of any Subsidiary that is not a Wholly Owned Subsidiary to the extent such income or loss is attributable to the noncontrolling interest in such Subsidiary.
“Consolidated Revenues” means, for any period, the aggregate revenues of the Company and the Subsidiaries, determined on a consolidated basis in accordance with GAAP.

“Consolidated Total Assets” means, at any time, the consolidated total assets of the Company and the Subsidiaries at such time, as such amount would appear on a consolidated balance sheet of the Company prepared in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Copyright License” means any written agreement, now or hereafter in effect, granting to any Person any right under any Copyright now or hereafter owned by any other Person or that such other Person otherwise has the right to license, and all rights of any such Person under any such agreement.

“Copyrights” means, with respect to any Person, all of the following now directly owned or hereafter directly acquired by such Person: (a) all copyright rights in any work subject to the copyright laws of the United States of America or any other country or any political subdivision thereof, whether as author, assignee, transferee or otherwise, (b) all registrations and applications for registration of any such copyright in the United States of America or any other country, including registrations, recordings, supplemental registrations, pending applications for registration, and renewals in the United States Copyright Office (or any similar office in any other country or any political subdivision thereof), and (c) any other rights corresponding to the foregoing, including moral rights.

“Corresponding Tenor” means, with respect to a Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding any business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the applicable Benchmark Rate.

“Covered Entity” means any of the following: (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b), or (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning assigned to it in Section 9.20.

“Daily Simple SONIA” means, for any day (a “SONIA Interest Day”), an interest rate per annum equal to the greater of (a) SONIA for the day that is four SONIA Business Days prior to (i) if such SONIA Interest Day is a SONIA Business Day, such SONIA Interest Day or (ii) if such SONIA Interest Day is not a SONIA Business Day, the SONIA Business Day immediately preceding such SONIA Interest Day and (b) zero. Any change in Daily Simple SONIA due to a change in SONIA shall be effective from and including the effective date of such change in SONIA.
withdrawal from any Plan or Multiemployer Plan; (h) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent (within the meaning of Title IV of ERISA) or in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the occurrence of a non-exempt “prohibited transaction” (within the meaning of Section 4975 of the Code or Section 406 of ERISA) concerning any Plan and with respect to which the Company or any ERISA Affiliate is a “disqualified person” (within the meaning of Section 4975 of the Code) or a party in interest (within the meaning of Section 406 of ERISA) or could otherwise be liable; or (j) any other event or condition with respect to a Plan or Multiemployer Plan that could result in liability of the Company or any ERISA Affiliate.

“Erroneous Payment” has the meaning assigned to such term in Article VIII.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“EURIBO Rate” means, with respect to any Borrowing denominated in Euro for any Interest Period, the applicable Screen Rate as of the Specified Time on the Quotation Date.

“Euro” or “€” means the lawful currency of the member states of the European Union that have adopted a single currency in accordance with applicable law or treaty.

“Eurocurrency”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate, the LIBO Rate, the EURIBO Rate, the CDO Rate or the AUD Bank Bill Rate, as applicable.

“Events of Default” has the meaning assigned to such term in Section 7.01.


“Exchange Rate” means, on any date of determination, for purposes of determining the US Dollar Equivalent of any currency other than US Dollars, the rate at which such other currency may be exchanged into US Dollars last provided (either by publication or as may otherwise be provided to the Applicable Agent) by the applicable Reuters source on the Business Day (determined based on New York City time) immediately preceding such day of determination (or, if a Reuters source ceases to be available or Reuters ceases to provide such rate of exchange, as last provided by such other publicly available information service that provides such rate of exchange at such time as shall be selected by the Applicable Agent from time to time in its reasonable discretion). For the avoidance of doubt, any exchange rate used will be with no mark-up or spread added.

“Excluded CFC Holdco” means (a) any Subsidiary that has no material assets other than Equity Interests and/or Indebtedness in one or more Persons that are Specified Foreign
defined therein) from time to time parties thereto and U.S. Bank National Association, as Trustee, relating to the Company’s 6.250% Senior Notes due 2025; (h) the Indenture dated as of May 5, 2020, among the Company, the Subsidiary Guarantors (as defined therein) from time to time parties thereto and U.S. Bank National Association, as Trustee, relating to the Company’s 7.000% Senior Notes due 2025; (i) the Indenture dated as of July 14, 2020, among the Company, the Subsidiary Guarantors (as defined therein) from time to time parties thereto and U.S. Bank National Association, as Trustee, relating to the Company’s 3.600% Senior Notes due 2023; and (j) the Indenture dated as of July 14, 2020, among the Company, the Subsidiary Guarantors (as defined therein) from time to time parties thereto and U.S. Bank National Association, as Trustee, relating to the Company’s 4.625% Senior Notes due 2027, in each case, as amended, supplemented, restated or otherwise modified from time to time.

“FATCA” means Sections 1471 through 1474 of the Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions (as determined in such manner as shall be set forth on the NYFRB Website from time to time) and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if such rate would be less than zero, such rate shall be deemed to be zero for all purposes of this Agreement.

“Financial Officer” means the chief financial officer, principal accounting officer, financial director, treasurer or controller of the Company; provided that, when such term is used in reference to any document executed by, or a certification of, a Financial Officer, upon request of the Administrative Agent, the secretary, an assistant secretary or any other officer or manager (or authorized signatory holding equivalent function) of the Company shall have delivered (which delivery may be made on the Closing Date) an incumbency certificate to the Administrative Agent as to the authority of such individual.

“First Amendment” means the First Amendment, dated as of October 1, 2020, to this Agreement.

“Foreign Currency Overnight Rate” means, for any day, (a) with respect to any currency other than Sterling, a rate per annum equal to the London interbank offered rate as administrated by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for overnight deposits in such currency as displayed on the Reuters screen page that displays such rate (currently LIBOR01 or LIBOR02) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other commercially available information service that publishes such rate as shall be selected by the Applicable Agent from time to time) at approximately 11:00 a.m., London time, on such day, (b) with respect to Sterling, at a rate per annum equal to the Adjusted Daily Simple SONIA or

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(be) if the rate referred to in clause (a) or clause (b) above is not available for such currency, a rate per annum at which overnight deposits in such currency would be offered on such day in the applicable offshore interbank market, as such rate is determined by the Applicable Agent by such means as the Applicable Agent shall determine to be reasonable.

“Foreign Lender” means a Lender that is not a US Person.

“Foreign Loan Party” means any Loan Party that is not a Domestic Subsidiary.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Form S-4” means the Form S-4 Registration Statement filed by IAC and the Company with the SEC on April 25, 2005, as amended on or before June 17, 2005.

“GAAP” means, subject to Section 1.04(a), generally accepted accounting principles in the United States of America.

“Government Program Indebtedness” mean any Indebtedness provided directly or indirectly by any Governmental Authority pursuant to any COVID-19 virus outbreak relief program, including any such Indebtedness provided through a designee thereof or an intermediary financial institution (but excluding any sovereign wealth fund that regularly makes financial investments).

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof (including pursuant to any “synthetic lease” financing), (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation; provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. For the avoidance of doubt, any expression by the Company or any Subsidiary of an intent to continue to provide financial support to any of its subsidiaries made in a management representation letter delivered in connection with an audit of the financial statements of such subsidiary, so long as such expression of intent does not create any binding obligation, contingent or otherwise, on the

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registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

“Intercompany Indebtedness Subordination Agreement” means the Intercompany Subordination Agreement among the Company, the Subsidiaries party thereto and the Administrative Agent, substantially in the form of Exhibit E, together with all supplements thereto.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08, which shall be in the form of Exhibit C or any other form approved by the Administrative Agent.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December, (b) with respect to any SONIA Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the date of the Borrowing of which such Loan is a part (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (c) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two (other than solely in the case of Borrowings denominated in Canadian Dollars), three or six (other than in the case of Borrowings denominated in Canadian Dollars) months (or, with the consent of each Lender participating therein, twelve months) thereafter, as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Screen Rate” means, with respect to any currency for any period, a rate per annum which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest maturity for which a Screen Rate is available that is shorter than such period and (b) the applicable Screen Rate for the shortest maturity for which a Screen Rate is available that is longer than such period, in each case as of the time the Interpolated Screen Rate is required to be determined in accordance with the other provisions hereof; provided that the Interpolated Screen Rate shall in no event be less than zero.
“Lender Parent” means, with respect to any Lender, any Person in respect of which such Lender is a subsidiary.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Leverage Condition” shall be satisfied if the Leverage Ratio as of the end of the most recently ended fiscal quarter of the Company for which consolidated financial statements of the Company have been delivered pursuant to Section 5.01(a) or 5.01(b), calculated on an annualized basis using Consolidated EBITDA for the two most recently ended fiscal quarters of the Company included in such consolidated financial statements multiplied by two, is not greater than 5.00:1.00.

“Leverage Ratio” means, on any date, the ratio of (a) Consolidated Funded Debt as of such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of the Company ended on such date (or, if such date is not the last day of a fiscal quarter of the Company, ended most recently prior to such date).

“LIBO Rate” means, with respect to any Borrowing denominated in US Dollars or Sterling for any Interest Period, the applicable Screen Rate as of the Specified Time on the Quotation Date.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, assignment by way of security, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.


“Liquidity” means, as of any date, (a) Unrestricted Cash of the Company and its Subsidiaries (in the case of Excluded Subsidiaries and other non-Wholly Owned Subsidiaries, (i) only to the extent of the Company’s direct or indirect equity ownership thereof and (ii) excluding Unrestricted Cash of any such Subsidiary to the extent that, as of such date, the declaration or payment of cash dividends or similar cash distributions by such Subsidiary is not permitted under applicable law or is subject to any prior approval of any Governmental Authority that has not been obtained or is not permitted by the operation of the terms of the organizational documents of such Subsidiary), plus (b) the sum of (i) the excess, if any, of (x) the total Commitments in effect on such date over (y) the total Revolving Credit Exposures as of such date, and (ii) the excess, if any, of (x) the total “Commitments” (as defined in the Company Credit Agreement) in effect on such date over (y) the total “Revolving Credit Exposures” (as defined in the Company Credit Agreement) as of such date, in each case under this clause (b), only if the conditions precedent set forth in Section 4.02 or the conditions precedent to borrowing set forth in Section 4.02 of the Company Credit Agreement, as applicable, are capable of being satisfied as of such date, minus (c) Total 30-Day Net Deferred Merchant Bookings as of such date.
“Loan” means any loan made by the Lenders to the Borrower pursuant to Section 2.01. Each Loan denominated in US Dollars shall be a Eurocurrency Loan or an ABR Loan, and each Loan denominated in Euro, Sterling, Canadian Dollars or Australian Dollars shall be a Eurocurrency Loan and each Loan denominated in Sterling shall be a SONIA Loan.

“Loan Document Obligations” means (a) the due and punctual payment by the Borrower of the principal of and premium, if any, and interest (including interest accruing, at the rate specified herein, during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on all Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (b) the due and punctual payment or performance by the Borrower of all other monetary obligations under this Agreement and by the Company, the Borrower and any other Subsidiary Loan Party of all other monetary obligations under any other Loan Document to which it is a party, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations accruing, at the rate specified herein or therein, or incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

“Loan Documents” means, collectively, (a) this Agreement and the Guarantee Agreement and (b) except for purposes of Section 9.02, any promissory notes delivered pursuant to Section 2.10(e).

“Loan Parties” means the Company, the Borrower and the other Subsidiary Loan Parties.

“Local Time” means (a) with respect to a Loan or Borrowing denominated in US Dollars, New York City time, (b) with respect to a Loan or Borrowing denominated in Euro, Brussels time, (c) with respect to a Loan or Borrowing denominated in Canadian Dollars, Toronto time, and (d) with respect to a Loan or Borrowing denominated in Sterling or Australian Dollars, London time.

“London Agent” means J.P. Morgan Europe Limited, JPMorgan Chase Bank, N.A. or any Affiliate or branch of JPMorgan Chase Bank, N.A., that JPMorgan Chase Bank, N.A. shall have designated for the purpose of acting in such capacity hereunder.

“Luxembourg” means the Grand Duchy of Luxembourg.


“Luxembourg Companies Act” means the Luxembourg act dated 10 August 1915 on commercial companies, as amended.

“Luxembourg Legal Reservations” means, in the case of any Luxembourg Loan Party, each qualification contained in the Luxembourg legal opinion delivered to the Administrative Agent under the Loan Documents.
hereafter owned by any other Person or that any other Person now or hereafter otherwise has the right to license, is in existence, and all rights of any such Person under any such agreement.

“Patents” means, with respect to any Person, all of the following now owned or hereafter acquired by such Person: (a) all registered letters patent of the United States of America or the equivalent thereof in any other country, all registrations thereof and all applications issued or applied for letters patent of the United States of America or the equivalent thereof in any other country or any political subdivision thereof, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country or any political subdivision thereof, and (b) all reissues, continuations, divisionals, continuations-in-part, reexaminations, supplemental examinations, inter partes reviews, renewals, adjustments or extensions thereof, and the inventions disclosed or claimed therein.

“Payment” has the meaning assigned to such term in Article VIII.

“Payment Notice” has the meaning assigned to such term in Article VIII.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Borrower Group Transaction” means (a) any transaction entered into in the ordinary course of business by any Borrower Group Member with the Company or any Subsidiary that is not a Borrower Group Member on terms and conditions that, taken as a whole, are not worse for the Borrower Group Members than could be obtained on an arm’s-length basis from unrelated third parties, (b) any sale, transfer, lease or other disposition by any Borrower Group Member to the Company or any Subsidiary that is not a Borrower Group Member of any assets comprising all or any portion of (i) the vacation rental business of the Company and its Subsidiaries or (ii) the Brand Expedia APAC business of the Company and its Subsidiaries, (c) any transaction undertaken by any Borrower Group Member for purposes of ensuring compliance with any applicable law, rule or regulation, (d) any sale, transfer, lease or other disposition by any Borrower Group Member to the Company or any Subsidiary that is not a Borrower Group Member of any assets so long as the aggregate fair market value (as reasonably determined by the Company, with respect to any assets, as of the time of the applicable sale, transfer, lease or other disposition) of the assets sold, transferred, leased or otherwise disposed pursuant to this clause (d) since the Closing Date does not exceed US$75,000,000 and (e) the termination of any license agreement existing on the Closing Date between Expedia Lodging Group Sarl and any Borrower Group Member.

“Permitted Call Spread Swap Agreements” means (a) a Swap Agreement pursuant to which the Company acquires a call or a capped call option requiring the counterparty thereto to deliver to the Company shares of common stock of the Company (or other Equity Interests, securities, property or assets following a merger event or other event or circumstance resulting in the common stock of the Company generally being converted into, or exchanged for, other Equity Interests, securities, property or assets), the cash value thereof or a combination thereof from time to time upon exercise of such option and (b) if entered into by the Company in connection with any Swap Agreement described in clause (a) above, a Swap Agreement pursuant to which the Company issues to the counterparty thereto warrants or other rights to acquire
“Prohibited Assets” has the meaning assigned to it in Section 6.08.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D).

“QFC Credit Support” has the meaning assigned to it in Section 9.20.

“Quotation Date” means (a) with respect to any Eurocurrency Borrowing denominated in US Dollars for any Interest Period, two Business Days prior to the first day of such Interest Period, (b) with respect to any Eurocurrency Borrowing denominated in Sterling, Canadian Dollars or Australian Dollars for any Interest Period, the first Business Day of such Interest Period and (c) with respect to any Eurocurrency Borrowing denominated in Euro for any Interest Period, the day two TARGET Days before the first day of such Interest Period, in each case unless market practice differs for loans such as the applicable Loans priced by reference to rates quoted in the Relevant Interbank Market, in which case the Quotation Date for such currency shall be determined by the Applicable Agent in accordance with market practice for such loans priced by reference to rates quoted in the Relevant Interbank Market (and if quotations would normally be given by leading banks for such loans priced by reference to rates quoted in the Relevant Interbank Market on more than one day, the Quotation Date shall be the last of those days).

“Reduction/Prepayment Amount” means, with respect to any Reduction/Prepayment Event, 30% of the Net Proceeds received by the Company or any Subsidiary therefrom.

“Reduction/Prepayment Event” means the incurrence, after May 5, 2020, by the Company or any Subsidiary of any Indebtedness to the extent such Indebtedness is incurred (or, if incurred prior to the Closing Date, outstanding) in reliance on (or any Guarantees thereof are incurred (or, if incurred prior to the Closing Date, outstanding) in reliance on) Section 6.01(s), 6.01(t), 6.01(w) and/or 6.01(x), or any combination thereof, but only to the extent the aggregate principal amount of such Indebtedness so incurred since May 5, 2020 (excluding any such Indebtedness to the extent the Net Proceeds thereof are applied substantially concurrently with the incurrence thereof (or within three Business Days thereafter) to repay, prepay, redeem or otherwise discharge any Indebtedness theretofore incurred (or, if incurred prior to the Closing Date, outstanding) in reliance on Section 6.01(w) and that had an earlier scheduled maturity than the Indebtedness so incurred) exceeds (it being understood that only incurrence of such excess amount shall be subject to this definition) the sum of (a) US$2,500,000,000 plus (b) the aggregate amount of Net Proceeds in excess of US$1,000,000,000 received by the Company or any Subsidiary from the issuance and sale of Equity Interests in the Company on or after May 4, 2020 or pursuant to any issuance and sale of the Preferred Stock consummated on May 5, 2020.

“Register” has the meaning assigned to such term in Section 9.04(b)(iv).

“Registered Intellectual Property” means any Intellectual Property that is the subject of a pending application for registration or issuance (or any similar action) with
or by, or that is registered or issued (or any similar action) with or by, any Governmental Authority (or any other Person with or by which registrations or issuances (or similar actions) of such Intellectual Property are made), in each case, in any jurisdiction throughout the world.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, trustees, partners, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means the Board of Governors and/or the NYFRB, or a committee officially endorsed or convened by the Board of Governors and/or the NYFRB or, in each case, any successor thereto.

“Relevant Interbank Market” means (a) with respect to US Dollars and Sterling, the London interbank market, (b) with respect to Euros, the European interbank market, (c) with respect to Canadian Dollars, the Toronto interbank market and (d) with respect to Australian Dollars, the Australian interbank market.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Restricted Cash” means, as of any date with respect to any Person, any cash, Permitted Investments and other cash equivalents directly owned on such date by such Person and that do not constitute Unrestricted Cash of such Person.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Company or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Company or any Subsidiary.

“Reuters” means Thomson Reuters Corporation, a corporation incorporated under and governed by the Business Corporations Act (Ontario), Canada, Refinitiv or, in each case, a successor thereto.

“Revolving Credit Exposure” means, at any time, the sum of (a) the aggregate principal amount of the Loans denominated in US Dollars outstanding at such time and (b) the sum of the US Dollar Equivalents of the aggregate principal amounts of the Loans denominated in Euro, Sterling, Canadian Dollars or Australian Dollars outstanding at such time. The Revolving Credit Exposure of any Lender at any time shall be such Lender’s Revolving Credit Percentage of the total Revolving Credit Exposure at such time.

“Revolving Credit Percentage” means, at any time with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment at such time. If
the Commitments have terminated or expired, the Revolving Credit Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., or any successor to its rating agency business.

“Sale/Leaseback Transaction” means any arrangement, directly or indirectly, with any Person whereby the Company or any Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter the Company or any such Subsidiary shall rent or lease property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred. The “amount” of any Sale/Leaseback Transaction at any time will be the capitalized amount of the lease included in such transaction as reflected on the most recent consolidated balance sheet of the Company delivered pursuant to Section 5.01 (or, in the case of a Sale/Leaseback Transaction resulting in a lease that is not a Capital Lease, the amount that would be so reflected in respect of such lease if it were a Capital Lease).

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (as of the Closing Date, Crimea, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) any other Person dealings with which are the subject of Sanctions.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the European Union or Her Majesty’s Treasury of the United Kingdom.

“Screen Rate” means (a) in respect of the LIBO Rate for any Interest Period or with respect to any determination of the Alternate Base Rate pursuant to clause (c) of the definition thereof, a rate per annum equal to the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for deposits in the applicable currency US Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period as displayed on the Reuters screen page that displays such rate (currently LIBOR01 or LIBOR02) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other commercially available information service that publishes such rate as shall be selected by the Applicable Agent from time to time), (b) in respect of the EURIBO Rate for any Interest Period, the percentage per annum determined by the European Money Market Institute (or any other Person that takes over the administration of such rate) for such Interest Period as set forth on the Reuters screen page that displays such rate (currently EURIBOR01) (or, in the event such rate does not appear on a page of the Reuters screen, on the appropriate page of such other commercially available information service that publishes such rate as shall be selected by the Applicable Agent from time to time).
deemed at any time to be the aggregate principal or stated amount of the Indebtedness, fractional undivided interests or other securities referred to in the preceding sentence or, if there shall be no such principal or stated amount, the uncollected amount of the accounts receivable or interests therein transferred pursuant to such Securitization Transaction net of any such accounts receivable or interests therein that have been written off as uncollectible and/or any discount (but not in excess of the discount that would be usual and customary for securitization transactions of this type in light of the then prevailing market conditions) in the purchase price therefor. For purposes of Section 6.02 only, a Securitization Transaction shall be deemed to be secured by a Lien on the accounts receivable or interests therein that are subject thereto, and such accounts receivable and interests shall be deemed to be assets of the Company and the Subsidiaries.

“SG Legal Reservations” means, in the case of any SG Loan Party, (a) the principle that equitable remedies may be granted or refused at the discretion of the court and (b) any other general principles that are set out as qualifications or reservations (however described) as to matters of law in any Singapore legal opinion delivered to the Administrative Agent pursuant to any Loan Document.

“SG Loan Party” means any Loan Party organized under the laws of Singapore.

“SilverRail” means SilverRail Technologies, Inc., a Delaware corporation.

“SilverRail Transactions” means, collectively, the disposition by Expedia, Inc., a Washington corporation, of its Equity Interests in SilverRail to one or more of the other Persons that are not Affiliates of the Company and that hold Equity Interests in SilverRail immediately prior to such disposition (or to any Affiliate of any such Person), including any such disposition in the form of a contribution by Expedia, Inc. of such Equity Interests to SilverRail or an exchange of such Equity Interests for the Equity Interests referred to in clause (a) below, and the consummation of the related transactions, including (a) the receipt by the Company or any Subsidiary of certain warrants in respect of Equity Interests in SilverRail and (b) the cancellation of certain Indebtedness owed by SilverRail to the Company or any Subsidiary, in each case, substantially consistent in all material respects with the terms thereof set forth in the document titled “SilverRail Management Buyout” dated August 31, 2020 that has been provided by the Company to the Administrative Agent in connection with the First Amendment.

“SOFR” means, with respect to any day, the secured overnight financing rate published for such day by the NYFRB, as the administrator of the benchmark (or a successor administrator), on the NYFRB Website.

“SOFR-Based Rate” means SOFR, Compounded SOFR or Term SOFR.

“SONIA” means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator’s Website on the immediately succeeding Business Day.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).
“SONIA Administrator’s Website” means the Bank of England’s website, currently at http://www.bankofengland.co.uk, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“SONIA Borrowing” means any Borrowing comprised of SONIA Loans.

“SONIA Business Day” means any day that is not a Saturday, Sunday or other day on which banks are closed for general business in London.

“SONIA Interest Day” has the meaning set forth in the definition of “Daily Simple SONIA”.

“SONIA Loan” means a Loan that bears interest at a rate determined by reference to the Adjusted Daily Simple SONIA.

“Specified Foreign Subsidiary” means (a) any Subsidiary that is a “controlled foreign corporation” (within the meaning of Section 957(a) of the Code) and (b) any subsidiary of any entity described in clause (a) of this definition.

“Specified Time” means (a) with respect to the LIBO Rate, 11:00 a.m., London time, (b) with respect to the EURIBO Rate, 11:00 a.m., Brussels time, (c) with respect to the CDO Rate, 11:00 a.m., Toronto time, and (d) with respect to the AUD Bank Bill Rate, 11:00 a.m., Sydney time.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve (including any marginal, special, emergency or supplemental reserves) established by the Board of Governors to which the Administrative Agent is subject for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board of Governors). Such reserve percentages shall include those imposed pursuant to Regulation D of the Board of Governors. Eurocurrency Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling” or “£” means the lawful currency of the United Kingdom.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of
awards, leases, subleases, licenses, concessions, rents, issues and profits (and all repairs, replacements, alterations and additions thereof and thereto), but specifically excluding any Intellectual Property (other than Intellectual Property that has de minimis fair value, as reasonably determined by the Company) and Equity Interests.

“trivago IPO” means an initial public offering of American Depositary Shares of trivago, substantially as described in the trivago Form F-1 and the trivago Form F-6.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the LIBO Rate, the EURIBO Rate, the CDO Rate, the AUD Bank Bill Rate or, the Alternate Base Rate or the Adjusted Daily Simple SONIA.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Legal Reservations” means, in the case of any UK Loan Party, (a) the principle that certain equitable remedies may be granted or refused at the discretion of the court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting the rights of creditors, (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or to indemnify a Person against non-payment of UK stamp duty may be void and defenses of set-off or counterclaim, (c) similar principles, rights and defences under the laws of any relevant jurisdiction and (d) any other matters which are set out as qualifications or reservations (however described) as to matters of law in any English legal opinion delivered to the Administrative Agent pursuant to any Loan Document.

“UK Loan Party” means any Loan Party organized under the laws of the United Kingdom, including of England and Wales or Scotland.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, the Unadjusted Benchmark Replacement will be deemed to be zero for all purposes of this Agreement.

“Unrestricted Cash” means, as of any date with respect to any Person, cash, Permitted Investments and other cash equivalents directly owned on such date by such Person, as such amount would appear on a consolidated balance sheet of such Person prepared as of such date in accordance with GAAP; provided that such cash, Permitted Investments and other cash
of the initial Interest Period therefor (or, in the case of a SONIA Loan, the date on which such SONIA Loan is made) and as of the date of the commencement of each subsequent Interest Period therefor (or, in the case of a SONIA Loan, each date that shall occur at intervals of three months’ duration after the date on which such SONIA Loan is made), in each case using the Exchange Rate (as calculated in accordance with the definition thereof on the date of determination), and each such amount shall be the US Dollar Equivalent of such Borrowing until the next required calculation thereof pursuant to this Section. The Applicable Agent may also determine the US Dollar Equivalent of any Borrowing denominated in any currency other than US Dollars as of such other dates as the Applicable Agent shall determine, in each case using the Exchange Rate (as calculated in accordance with the definition thereof on the date of determination), and each such amount shall be the US Dollar Equivalent of such Borrowing until the next calculation thereof pursuant to this Section. The Administrative Agent shall notify the Borrower and the Lenders of each determination of the US Dollar Equivalent of each Borrowing.

SECTION 1.06. Interest Rates; LIBOR Notification. The interest rate on a Loan denominated in US Dollars or any other applicable currency may be derived from an interest rate benchmark that is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administration, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, Section 2.14(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “Screen Rate” or with respect to any alternative or successor rate thereto, or replacement rate thereof (including (a) any such alternative, successor or replacement rate implemented pursuant to Section 2.14(b), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (b) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.14(b)), including whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the applicable Benchmark Rate or have the same volume or liquidity as did the applicable Benchmark Rate prior to its discontinuance or unavailability.
SECTION 1.07. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.08. Luxembourg Terms. In the Loan Documents, a reference to (a) a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrator receiver, administrator or similar officer includes (i) any juge-commissaire or insolvency receiver (curateur) appointed under the Luxembourg Commercial Code, (ii) any liquidateur appointed under Articles 1100-1 to 1100-15 (inclusive) of the Luxembourg Companies Act, (iii) any juge-commissaire or liquidateur appointed under Article 1200-1 of the Luxembourg Companies Act (iv) any commissaire appointed under the Grand-Ducal decree of 24 May 1935 on the controlled management regime or under Articles 593 to 614 (inclusive) of the Luxembourg Commercial Code and (v) any juge délégué appointed under the Luxembourg act of 14 April 1886 on the composition to avoid bankruptcy, as amended; (b) a winding-up, administration or dissolution includes, without limitation, bankruptcy (faillite), liquidation, composition with creditors (concordat préventif de faillite), moratorium or reprieve from payment (sursis de paiement) and controlled management (gestion contrôlée); and (c) a Person being unable to pay its debts includes that Person being in a state of cessation of payments (cession de paiements).

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Loans denominated in US Dollars, Euro, Sterling, Canadian Dollars or Australian Dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (a) such Lender’s Revolving Credit Exposure exceeding such Lender’s Commitment or (b) the total Revolving Credit Exposure exceeding the total Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type and currency made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and not joint and no Lender shall be responsible for any other Lender’s failure to make Loans as required.

(b) Subject to Section 2.14, each Borrowing shall be comprised (i) in the case of Borrowings denominated in US Dollars, entirely of ABR Loans or Eurocurrency Loans of the applicable Type as the Borrower may request in accordance herewith, (ii) in the case of Borrowings denominated in Sterling, entirely of SONIA Loans and (iii) in the case of the Borrowing...
Borrowings denominated in any other currency, entirely of Eurocurrency Loans of the applicable Type. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum; provided that a Eurocurrency Borrowing that results from a continuation of an outstanding Eurocurrency Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each ABR Borrowing and each SONIA Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Minimum; provided that an ABR Borrowing or a SONIA Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of six Eurocurrency Borrowings and SONIA Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Eurocurrency Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall submit a written Borrowing Request, signed by an Authorized Officer of the Borrower, to the Applicable Agent (a) in the case of a Eurocurrency Borrowing denominated in US Dollars, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (b) in the case of a Borrowing denominated in Euro, Sterling, Canadian Dollars or Australian Dollars, not later than 11:00 a.m., Local Time, four Business Days before the date of the proposed Borrowing, and (c) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing, and (d) in the case of a SONIA Borrowing, not later than 11:00 a.m., New York City time, four SONIA Business Days before the date of the proposed Borrowing; provided that (i) any such notice of a Eurocurrency Borrowing denominated in US Dollars to be made on the Closing Date may be submitted not later than 1:00 p.m., New York City time, on the Closing Date and (ii) any such notice of a Borrowing to be made on the Closing Date may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Each such Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount and currency of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;
(iii) if denominated in US Dollars, whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(iv) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”; and

(v) the location and number of the account of the Borrower to which funds are to be disbursed, which shall comply with Section 2.07.

If no currency is specified with respect to any requested Borrowing, then the Borrower shall be deemed to have selected US Dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (A) if denominated in US Dollars, an ABR Borrowing, (B) if denominated in Sterling, a SONIA Borrowing and (BC) if denominated in any other currency, a Eurocurrency Borrowing of the applicable Type. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Applicable Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Reserved].

SECTION 2.05. [Reserved].

SECTION 2.06. [Reserved].

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds in the applicable currency by 12:00 noon, Local Time, to the account of the Applicable Agent most recently designated by it for such purpose by notice to the Lenders. The Applicable Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Applicable Agent and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Applicable Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Applicable Agent such Lender’s share of such Borrowing, the Applicable Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance on such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Applicable Agent, then the applicable Lender and the Borrower severally agree to pay to the Applicable Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Applicable Agent, at (i) in the case of such Lender, (A) if denominated in US Dollars, the greater of the NYFRB and a rate determined by the Applicable Agent in accordance with banking industry rules on interbank compensation and (B) if denominated in any currency other than US Dollars, the greater of the Foreign
Currency Overnight Rate and a rate determined by the Applicable Agent in accordance with banking industry rules on interbank compensation, or (ii) in the case of the Borrower, (A) if denominated in US Dollars, the interest rate applicable to ABR Loans and (B) if denominated in any currency other than US Dollars, the interest rate applicable to the subject Loan. If such Lender pays such amount to the Applicable Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing. If the Borrower and such Lender shall pay such interest to the Applicable Agent for the same or an overlapping period, the Applicable Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. Any such payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Applicable Agent.

SECTION 2.08. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or as otherwise provided in Section 2.03. Thereafter, the Borrower may elect to convert any Borrowing denominated in US Dollars to a different Type or to continue any Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section 2.08 shall not apply to SONIA Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall submit a written Interest Election Request, signed by an Authorized Officer of the Borrower to the Applicable Agent by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type, and in the currency, resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable. Notwithstanding any other provision of this Section, the Borrower shall not be permitted to change the currency of any Borrowing or to convert any Borrowing to a Type not available for the currency of such Borrowing.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and
to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without any premium or penalty (but subject to Section 2.16) subject to prior notice in accordance with paragraph (d) of this Section.

(b) In the event and on each occasion that any Reduction/Prepayment Event shall occur, then, on the third Business Day after the occurrence of such Reduction/Prepayment Event, the Borrower shall prepay Loans, including to (but not below) zero, by the Reduction/Prepayment Amount with respect to such Reduction/Prepayment Event. Prepayments made under this paragraph shall be without any premium or penalty (but shall be subject to Section 2.16).

(c) In the event and on each occasion that the total Revolving Credit Exposure exceeds the total Commitments, the Borrower shall, not later than the next Business Day, prepay Borrowings in an aggregate amount equal to the amount of such excess; provided that if such excess results from a change in Exchange Rates, such prepayment shall be required to be made not later than the fifth Business Day after the day on which the Administrative Agent shall have given the Borrower notice of such excess. Prepayments made under this paragraph shall be without any premium or penalty (but shall be subject to Section 2.16). It is understood that nothing in this paragraph shall modify the obligations of the Borrower set forth in paragraph (b) above.

(d) The Borrower shall notify the Applicable Agent by telephone (confirmed by facsimile) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing, not later than 11:00 a.m., Local Time, three Business Days before the date of prepayment or, (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment or (iii) in the case of prepayment of a SONIA Borrowing, not later than 11:00 a.m., New York City time, four SONIA Business Days before the date of prepayment; provided that, in the case of any prepayment required to be made under paragraph (b) or (c) of this Section, the Borrower will give such notice as soon as practicable. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of any prepayment under paragraph (b) of this Section, shall specify the applicable Reduction/Prepayment Event and set forth the calculation of the applicable Reduction/Prepayment Amount; provided that (x) a notice of optional prepayment of any Borrowing pursuant to paragraph (a) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified therein and (y) a notice of prepayment of any Borrowing pursuant to paragraph (b) of this Section may state that such notice is conditioned upon the occurrence of the Reduction/Prepayment Event specified therein, and in either such case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type and
in the same currency as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

SECTION 2.12. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Rate on the daily unused amount of the Commitment of such Lender during the period from and including the Closing Date to but excluding the date on which such Commitment terminates. Commitment fees accrued through and including the last day of March, June, September and December of each year shall be payable on the fifteenth day (or, if such day is not a Business Day, the next succeeding Business Day) following such last day and on the date on which the Commitments terminate, commencing on the first such date to occur after the Closing Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Commitment of a Lender shall be deemed to be used to the extent of the Revolving Credit Exposure of such Lender.

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds in US Dollars, to the Administrative Agent for distribution, in the case of commitment fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest (i) in the case of any such Borrowing denominated in US Dollars, at the Adjusted LIBO Rate, (ii) in the case of any such Borrowing denominated in Sterling, at the LIBO Rate, (iii) in the case of any such Borrowing denominated in Euro, at the EURIBO Rate, (iv) in the case of any such Borrowing denominated in Canadian Dollars, at the CDÖ Rate, and (v) in the case of any such Borrowing denominated in Australian Dollars, at the AUD Bank Bill Rate, in each case for the Interest Period in effect for such Borrowing plus, in each case, the Applicable Rate.

(c) The Loans comprising each SONIA Borrowing shall bear interest at the Adjusted Daily Simple SONIA plus the Applicable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section, (ii) in the case of any overdue interest on any Loan, 2% per annum.
annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (iii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) (d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (e) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion. All interest shall be payable in the currency in which the applicable Loan is denominated.

(f) (e) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Daily Simple SONIA and interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate and (ii) interest on Eurocurrency Loans denominated in Sterling, Canadian Dollars or Australian Dollars shall be computed on the basis of a year of 365 days (or, in the case of clause (i) above, 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate, LIBO Rate, EURIBO Rate, CDO Rate or AUD Bank Bill Rate or Adjusted Daily Simple SONIA shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(g) (f) If a deduction of Swiss Withholding Tax is required by Swiss law to be made by a Swiss Subsidiary Loan Party in respect of any interest payable by it under any of the Loan Documents and should Section 2.17(a) be unenforceable for any reason, the applicable interest rate in relation to that interest payment shall be (i) the interest rate which would have applied to that interest payment (as provided for in this Section 2.13) in the absence of this paragraph (fg) divided by (ii) 1 minus the rate at which the relevant tax deduction is required to be made is for this purpose expressed as a fraction of 1 rather than as a percentage and all references to a rate of interest in this Section 2.13 shall be construed accordingly. To the extent that interest payable by a Swiss Subsidiary Loan Party under any of the Loan Documents becomes subject to Swiss Withholding Tax, each relevant Lender shall promptly co-operate with the relevant Swiss Subsidiary Loan Party in completing any procedural formalities (including submitting forms and documents required by the appropriate tax authority) to the extent possible and necessary for the Swiss Subsidiary Loan Party to obtain authorization to make interest payments without them being subject to Swiss Withholding Tax or to allow the relevant Lender to prepare claims for the re-fund of any Swiss Withholding Tax so deducted.

SECTION 2.14. Alternate Rate of Interest. (a) Subject to Section 2.14(b), if prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a
**Eurocurrency Borrowing denominated in any currency:** that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate, \( \text{the LIBO Rate} \), the EURIBO Rate, the CDO Rate or the AUD Bank Bill Rate, as the case may be, for such Interest Period (including because the applicable Screen Rate is not available or published on a current basis) or (B) at any time, that adequate and reasonable means do not exist for ascertaining the Daily Simple SONIA with respect to any Borrowing denominated in Sterling; or

(ii) the Administrative Agent is advised by the Required Lenders \( (A) \) prior to the commencement of any Interest Period for a Eurocurrency Borrowing denominated in any currency, that the Adjusted LIBO Rate, \( \text{the LIBO Rate} \), the EURIBO Rate, the CDO Rate or the AUD Bank Bill Rate, as the case may be, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Eurocurrency Borrowing for such Interest Period or \( (B) \) at any time, that the Adjusted Daily Simple SONIA with respect to any Borrowing denominated in Sterling will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, \( (A) \) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing of the applicable Type for such Interest Period shall be ineffective, \( (B) \) the affected Eurocurrency Borrowing that was requested to be converted or continued shall (1) if denominated in US Dollars, on the last day of the then current Interest Period applicable thereto, unless repaid, be continued as or converted to an ABR Borrowing or (2) if denominated in any currency other than US Dollars, from and after the last day of the then current Interest Period applicable thereto, unless repaid, bear interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus a rate that adequately and fairly reflects the weighted average of the cost to each Lender to fund its pro rata share of such Borrowing (from whatever source and using whatever methodologies such Lender may select in its reasonable discretion) (with respect to a Lender, the “COF Rate” and with respect to the weighted average of the COF Rate applicable to each Lender for any Borrowing, the “Average COF Rate”), it being agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing, and \( (C) \) if any Borrowing Request requests a Eurocurrency Borrowing of the applicable Type for such Interest Period, such Borrowing shall (1) if denominated in US Dollars, be treated as a request for an ABR Borrowing or (2) if denominated in any currency other than US Dollars, be treated as a request for a Borrowing that bears (and such Borrowing will bear) interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, \( (D) \) any affected SONIA Borrowing shall, from and after the date on which the Company receives such notice, bear interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate and \( (E) \) any Borrowing Request for an affected SONIA Borrowing shall be treated as a request for a Borrowing that bears (and such Borrowing will bear) interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, it being agreed, in each case under clauses \( (B) \) through \( (E) \) above, by each Lender that, promptly upon request.
Borrowing that bears (and such Borrowing will bear) interest at a rate equal to the Applicable Rate for Eurocurrency Loans plus the Average COF Rate, it being agreed by each Lender that, promptly upon request therefor by the Administrative Agent, such Lender shall notify the Administrative Agent of the COF Rate of such Lender with respect to the applicable Borrowing.

(v) Any determination, decision or election that may be made by the Administrative Agent or the Lenders pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.14.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) subject any Agent or Lender to any Taxes on its loans, loan principal, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto (but expressly excluding Taxes referred to in paragraph (f) of this Section); or

(iii) impose on any Lender or the London interbank market, European interbank market, Toronto interbank market or Australian interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Loans or SONIA Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to or continuing or maintaining any Loan (or of maintaining its obligation to make any Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital or liquidity requirements has had or would have the effect of reducing the rate of return on such Lender’s capital or on the capital of such Lender’s holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender’s holding company could have achieved but for such Change in Law (taking into consideration such Lender’s policies and the policies of such Lender’s holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender’s holding company for any such reduction suffered.
loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate, the LIBO Rate, the EURIBO Rate, the CDO Rate or the AUD Bank Bill Rate, as the case may be, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the Relevant Interbank Market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 20 days after receipt thereof.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes except as required by applicable law; provided that if an applicable withholding agent shall be required by applicable law to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable by the Borrower shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Applicable Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify each Agent and Lender, within 20 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Each Lender severally agrees to indemnify each Agent, within 20 days after written demand therefor, for the full amount of (i) any Indemnified Taxes and Other Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified such Agent for such Indemnified Taxes or Other Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the
to which the provisions of this paragraph shall apply). It is acknowledged and agreed that the foregoing provisions of this Section 2.18(c) reflect an agreement entered into solely among the Lenders (and not the Company, the Borrower or any other Loan Party) and the consent of the Company, the Borrower or any other Loan Party shall not be required to give effect to the acquisition of a participation by a Lender pursuant to such provisions or with respect to any action taken by the Lenders or the Administrative Agent pursuant to such provisions. The Borrower agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Applicable Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Applicable Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Applicable Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Applicable Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Applicable Agent, at (i) if such amount is denominated in US Dollars, the greater of the NYFRB and a rate determined by the Applicable Agent in accordance with banking industry rules on interbank compensation, and (ii) if such amount is denominated in any currency other than US Dollars, the greater of the Foreign Currency Overnight Rate and a rate determined by the Applicable Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.07(b), 2.17(d), 2.18(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by either Agent for the account of such Lender to satisfy such Lender’s obligations under such Sections until all such unsatisfied obligations are fully paid or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future payment obligations of such Lender under such Sections, in each case in such order as shall be determined by such Agent in its discretion.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if the Borrower (or, in case of Section 2.13(fg), any Swiss Loan Party) is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or 2.13(fg), then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15, 2.17 or 2.13(fg), as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The
Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment and delegation.

(b) If (i) any Lender requests compensation under Section 2.15, (ii) the Borrower (or, in case of Section 2.13(fg), any Swiss Loan Party) is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17 or 2.13(fg), (iii) any Lender becomes a Defaulting Lender or (iv) any Lender has failed to consent to a proposed waiver, amendment or other modification that under Section 9.02 requires the consent of all the Lenders (or all the affected Lenders) and with respect to which the Required Lenders shall have granted their consent, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which may be another Lender, if a Lender accepts such assignment); provided that (A) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, delayed or conditioned, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (C) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17 or 2.13(fg), such assignment is reasonably be expected to result in a future reduction in such compensation or payments, (D) in the case of any such assignment resulting from the failure to provide a consent, the assignee shall have given such consent and, as a result of such assignment and any contemporaneous assignments and consents, the applicable waiver, amendment or other modification can be effected and (E) such assignment does not conflict with applicable law. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender required to make such assignment need not be a party thereto.

SECTION 2.20. Defaulting Lenders. (a) Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as any such Lender is a Defaulting Lender:

(i) no commitment fee shall accrue on the unused amount of any Commitment of any Defaulting Lender pursuant to Section 2.12(a); and

(ii) the Commitments and Revolving Credit Exposures of each Defaulting Lender shall be disregarded in determining whether the Required Lenders or any other requisite Lenders have taken any action hereunder or under any other Loan Document (including any consent to any waiver, amendment or other modification pursuant to Section 9.02); provided, however, that any waiver, amendment or other modification that, disregarding the effect of this clause (ii), requires the consent of all Lenders or of all Lenders affected
exceed US$15,000,000 in any fiscal year of the Company, (g) the Company may make Restricted Payments in respect of the Preferred Stock; provided that, other than in the case of periodic dividends made by the Company in accordance with the terms of the Preferred Stock (as set forth in the Certificate of Designation as in effect on May 5, 2020), no Restricted Payment may be made in reliance on this clause (g) prior to August 13, 2020, (h) the Company and any Subsidiary may make any Restricted Payments if (i) no Default shall have occurred and be continuing or would result therefrom and (ii) the Leverage Ratio as of the end of the fiscal quarter of the Company most recently ended on or prior to the date of such Restricted Payment (in the case of any such fiscal quarter ending on or prior to June 30, 2022, calculated on an Annualized Basis), giving pro forma effect to such Restricted Payment and any related incurrence of Indebtedness as if they had occurred on the last day of such quarter, would not exceed 4.00:1.00, (i) the Company and any Subsidiary may make Restricted Payments consisting of payments in cash in lieu of the issuance of fractional shares, upon the exercise of warrants or upon the conversion or exchange of Equity Interests of any such Person, (j) to the extent constituting a Restricted Payment, the Company or any Subsidiary Loan Party (other than any Borrower Group Member) may (i) pay interest, principal and premium, if any, on, and make cash payments upon conversion of, Permitted Convertible Notes and (ii) enter into, pay any premium on, exercise rights under and make any payment or other disposition of cash, common stock of the Company or other Equity Interests, securities, property or assets under any Permitted Call Spread Swap Agreement, in each case pursuant to the terms thereof, and (k) to the extent constituting a Restricted Payment, the Company and its Subsidiaries may consummate the SilverRail Transactions and (l) the Company and its Subsidiaries may make additional Restricted Payments in an aggregate amount not to exceed US$500,000,000.

Notwithstanding anything to the contrary in this Section or any other provision of this Agreement, the Borrower will not, and the Company will not permit any Borrower Group Member to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (A) any Borrower Group Member may make Restricted Payments in the form of cash, Permitted Investments, other cash equivalents or, evidences of Indebtedness or other assets (other than Prohibited Assets) constituting a Permitted Borrower Group Transaction (it being agreed that no Restricted Payment shall be permitted by this clause (i) unless such Restricted Payment is permitted by and made in reliance on any of clauses (a) through (i) of this Section 6.05) and (B) any Borrower Group Member may make Restricted Payments to any other Borrower Group Member; provided that the Borrower Group Members may make any Restricted Payment of the Equity Interests in any Egencia Business Subsidiary or of any assets comprising the Egencia Business.

SECTION 6.06. Transactions with Affiliates. The Company will not, and will not permit any Subsidiary (other than any Excluded Subsidiary) to, sell, lease or otherwise transfer any assets to, or purchase, lease or otherwise acquire any assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) at prices and on terms and conditions not less favorable to the Company or such Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, (b) transactions between or among the Company, Wholly Owned Subsidiaries and Subsidiary Loan Parties not involving any other Affiliate; provided that any transactions entered into pursuant to this clause (b) between or among (i) Loan Parties and Wholly Owned Subsidiaries that are not Loan Parties involving Intellectual Property held by any Loan Party shall be at prices and on terms and conditions not less favorable to such Loan Party
than could be obtained on an arm’s-length basis from unrelated third parties or (ii) Borrower Group Members and the Company or Wholly Owned Subsidiaries that are not Borrower Group Members involving any Intellectual Property held by any Borrower Group Member shall be at prices and on terms and conditions not less favorable to such Borrower Group Member than could be obtained on an arm’s-length basis, (c) transactions between or among Subsidiaries that are not Loan Parties; provided that any transactions entered into pursuant to this clause (c) between or among Borrower Group Members and Subsidiaries that are not Borrower Group Members involving any Intellectual Property held by any Borrower Group Member shall be at prices and on terms and conditions not less favorable to such Borrower Group Member than could be obtained on an arm’s-length basis, (c) transactions between or among Subsidiaries that are not Loan Parties; provided that any transactions entered into pursuant to this clause (c) between or among Borrower Group Members and Subsidiaries that are not Borrower Group Members involving any Intellectual Property held by any Borrower Group Member shall be at prices and on terms and conditions not less favorable to such Borrower Group Member than could be obtained on an arm’s-length basis, (d) any Restricted Payment permitted by Section 6.05 or Investment permitted by Section 6.12, (e) transactions under the IAC Agreements as in effect on the Closing Date (or as hereafter amended in a manner not materially adverse to the Company and to the rights or interests of the Lenders), (f) payments made and other transactions entered into in the ordinary course of business with officers and directors of the Company or any Subsidiary, and consulting fees and expenses incurred in the ordinary course of business payable to former officers or directors of the Company or any Subsidiary, (g) reclassifications or changes in the terms of or other transactions relating to Equity Interests in the Company held by Affiliates that do not involve the payment of any consideration (other than Equity Interests (other than Disqualified Equity Interests) in the Company) or any other transfer of value or property, (h) any other transfer of value by the Company or any Subsidiary to any such Affiliate, (h) payments by the Company or any Subsidiary to or on behalf of any Affiliate of the Company or any Subsidiary in connection with transactions involving any public or private offering, other issuance or sale of stock by the Company or an Affiliate of the Company or other transaction for the benefit of the Company or any Subsidiary, (i) transactions disclosed in the Form S-4, (j) Permitted Charitable Contributions, (k) any transaction (if part of a series of related transactions, together with such related transactions) involving consideration or value of less than US$15,000,000, (l) transactions permitted under Section 6.08(m) or 6.08(v), (m) transactions pursuant to agreements with TripAdvisor, Inc. and its Subsidiaries entered into in connection with the separation of TripAdvisor, Inc. from the Company, in each case substantially as described in the TripAdvisor, Inc. Form S-4 as filed with the SEC on July 27, 2011, as amended, (n) transactions engaged by a Person that is not a Subsidiary on the Closing Date, which transactions are engaged pursuant to agreements or arrangements in existence at the time such Person becomes a Subsidiary or is merged or consolidated with or into the Company or a Subsidiary (provided that (i) such agreements or arrangements were not entered into in connection with or in contemplation of such Person becoming a Subsidiary or such merger or consolidation and (ii) immediately prior to such Person becoming a Subsidiary or such merger or consolidation, such Person was not an Affiliate of the Company), (o) the trivago IPO and the transactions relating thereto, in each case substantially as described in the trivago Form F-1 as filed with the SEC on November 14, 2016, as amended by the Amendment No. 1 to Form F-1 Registration Statement filed by trivago with the SEC on December 5, 2016, and as supplemented by the prospectus filed by trivago with the SEC on December 16, 2016 and the trivago Form F-6, as filed with the SEC on December 5, 2016 (and any amendment, supplement or modification to any such transaction or related agreement in a manner not materially adverse to the Company and its Subsidiaries (other than trivago and its Subsidiaries) and to the rights or interests of the Lenders), (p) customary transactions with Securitization Subsidiaries pursuant to a Securitization Transaction, (q) Permitted Borrower Group Transactions and (r) transactions with SilverRail and its Subsidiaries that comprise the
US$500,000,000 and (B) 100% of the aggregate Net Proceeds of all sales, transfers, leases or other dispositions made in reliance on this clause (l) or, on or prior to the Closing Date, in reliance on Section 6.08(l) of the Company Credit Agreement to the extent exceeding US$500,000,000, each such reduction and/or prepayment to be made promptly (and in any event within five Business Days) following the consummation of any such sale, transfer, lease or other disposition, and (v) with respect to each sale, transfer, lease or other disposition made in reliance on this clause (l) for consideration with a fair value in excess of US$25,000,000 or that requires a reduction and/or prepayment under clause (iv) above, the Company shall have delivered to the Administrative Agent a certificate of a Financial Officer, certifying that all the requirements set forth in this clause (l) have been satisfied with respect thereto, together with reasonably detailed calculations demonstrating satisfaction of the requirements set forth in clause (ii) above and, if applicable, a reasonably detailed calculation of the amount of the reduction and/or prepayment required under clause (iv) above; (m) dispositions or transfers of assets by the Loan Parties to Subsidiaries that are not Loan Parties; provided that (i) the aggregate fair market value (as reasonably determined by the Company, with respect to any assets, as of the time of the applicable disposition or transfer) of the assets so disposed or transferred since the Closing Date shall not exceed the sum of (A) US$175,000,000, net, with respect to any disposition, of the fair market value (as reasonably determined by the Company, with respect to any assets, at the time of the applicable disposition or transfer) of any assets received by the Loan Parties since the Closing Date as consideration for such disposition or transfer (it being understood that any consideration in the form of Equity Interests in the transferee Subsidiary or any Indebtedness of a Subsidiary shall not constitute consideration for this purpose); and (B) with respect to any such disposition or transfer in the form of a capital contribution, the aggregate fair market value (as reasonably determined by the Company, with respect to any assets, as of the time of the receipt thereof) of assets (other than Equity Interests in the transferee Subsidiary or any Indebtedness of a Subsidiary) received by the Loan Parties as a dividend, distribution or return of or on the capital contributed (it being understood that the amount added back pursuant to this clause (B) may not exceed the original amount of such capital contribution made in reliance on this clause (m)); (ii) in addition to the limitations in clause (i), the aggregate fair value of Intellectual Property so disposed or transferred since the Closing Date shall not exceed US$200,000,000 (it being agreed that (A) the value of Intellectual Property shall be reasonably determined by the Company as of the time of the applicable disposition or transfer, (B) Intellectual Property that has de minimis fair value as reasonably determined by the Company may be treated as having zero fair value, (C) for the avoidance of doubt, disclosure of Intellectual Property shall not be deemed a transfer or disposition subject to this Section 6.08, (D) non-exclusive licenses of Intellectual Property shall not count against the cap set forth in this clause (ii)), (E) the transfer of the legal ownership or an exclusive license of any Registered Intellectual Property, any application for registration and issuance thereof, source code or any databases shall count against the cap set forth in this clause (ii) and (F) dispositions or transfers of know-how, show-how and, subject to clause (E) above, data in electronic form and other technical or business information, in each case, in the ordinary course of business of the Company and its Subsidiaries shall not otherwise count against the cap in this clause (ii)) and (iii) no disposition or transfer...
of Equity Interests in any Domestic Subsidiary (other than an Excluded CFC Holdco, the New Headquarters SPV or the New Headquarters Parent SPV) shall be permitted by this clause (m);

(n) dispositions or transfers by any Loan Party in the form of (i) the contribution or other disposition to a Subsidiary that is not a Loan Party of Equity Interests in, or Indebtedness of, any Excluded CFC Holdeo or Specified Foreign Subsidiary (or, other than in the case of any Loan Party that is a Borrower Group Member, any CFC Holdco or Foreign Subsidiary) owned directly by such Loan Party in exchange for Equity Interests in (or additional share premium or paid in capital in respect of Equity Interests in), or Indebtedness of, such Subsidiary that is not a Loan Party, or a combination of any of the foregoing, and (ii) an exchange of Equity Interests in any Excluded CFC Holdco or Specified Foreign Subsidiary (or, other than in the case of any Loan Party that is a Borrower Group Member, any CFC Holdco or Foreign Subsidiary) for Indebtedness of, or of Indebtedness of such Excluded CFC Holdco or Specified Foreign Subsidiary (or, if applicable, such CFC Holdco or Foreign Subsidiary) for Equity Interests in, such Excluded CFC Holdco or Specified Foreign Subsidiary (or, if applicable, such CFC Holdco or Foreign Subsidiary);

(o) Permitted Charitable Contributions;

(p) dispositions or transfers of any New Headquarters Assets to the New Headquarters SPV;

(q) any transactions involving consideration or value of less than US$2,000,000 individually;

(r) the Classic Vacations Transactions;

(s) dispositions or transfers by any Loan Party in the form of (i) the contribution or other disposition to a Subsidiary (other than any Subsidiary that is expressly excluded from being a Designated Subsidiary pursuant to clauses (i) through (iii), (iv)(A) or (v) of the definition of such term or, solely to the extent such disposition or transfer would result in such other Subsidiary being expressly excluded from being a Designated Subsidiary under such clause (vii), clause (vii) of the definition of such term) of Equity Interests in, or Indebtedness of, any other Subsidiary owned directly by such Loan Party in exchange for Equity Interests in (or additional share premium or paid in capital in respect of Equity Interests in), or Indebtedness of, such Subsidiary, or a combination of any of the foregoing, and (ii) an exchange of Equity Interests in any Subsidiary for Indebtedness of, or of Indebtedness of such Subsidiary for Equity Interests in, such Subsidiary;

(t) sales, transfers and other distributions of any Equity Interest in the Company (it being understood that if such sale, transfer or other disposition constitutes a Restricted Payment, it shall be subject to Section 6.05); and

(u) (i) the Egencia Disposition and (ii) sales, transfers, leases or other dispositions of (A) the assets or properties comprising the Egencia Business or the Equity Interests in
any Egencia Business Subsidiary and (B) intercompany receivables owed by or to any Egencia Business Subsidiary (but not cash, Permitted Investments or other cash equivalents, except as described below), in each case under this clause (ii), in connection with the Egencia Disposition; provided that, notwithstanding anything to the contrary in this clause (u), (1) the settlement, in connection with the Egencia Disposition, for cash, Permitted Investments or other cash equivalents of intercompany receivables arising in the ordinary course of business and owed to any Egencia Business Subsidiary shall be permitted and (2) the contribution of cash, Permitted Investments or other cash equivalents to fund the settlement, in connection with the Egencia Disposition, of intercompany receivables arising in the ordinary course of business and owed by any Egencia Business Subsidiary shall be permitted; and

(v) dispositions or transfers (including, in the case of Intellectual Property, in the form of exclusive or non-exclusive licenses) of assets to any Borrower Group Member, other than dispositions or transfers (including, in the case of Intellectual Property, in the form of exclusive licenses, but excluding in the form of non-exclusive licenses) of (A) Registered Intellectual Property that, individually or in the aggregate, is material to the business or operations of the Company and its Subsidiaries in the ordinary course of business, (B) Equity Interests in any Loan Party that is not a Borrower Group Member and (C) all or substantially all of the assets of the Company and the other Loan Parties, on a consolidated basis.

Notwithstanding anything to the contrary in this Section or any other provision of this Agreement, the Company will not, and will not permit any Subsidiary to, sell, transfer, lease or otherwise dispose of any Equity Interests or other assets to any Person other than the Company or any Subsidiary if such Equity Interests or other assets represent all or substantially all of the assets of the Company and the Subsidiaries, on a consolidated basis.

For the avoidance of doubt, no loan by the Company or any of its Subsidiaries to the Company or any of its Subsidiaries shall constitute a sale, transfer, lease or other disposition subject to the restrictions set forth in this Section 6.08.

Notwithstanding anything to the contrary in this Section or any other provision of this Agreement, the Borrower will not, and the Company will not permit any Borrower Group Member to, sell, transfer, lease or otherwise dispose of (including by way of a merger or consolidation) any asset, including any Equity Interest, owned by it to the Company or any Subsidiary (other than a Borrower Group Member), nor will the Company permit any Borrower Group Member (other than the Borrower) to issue any additional Equity Interest in such Borrower Group Member to the Company or any Subsidiary (other than a Borrower Group Member), except (i) sales, transfers, leases or other dispositions described in Section 6.08(e), 6.08(q) or 6.08(u), and (ii) sales, transfers, leases or other dispositions described in Section 6.08(b)(i), other than sales, transfers, leases or other dispositions (including, in the case of Intellectual Property, in the form of exclusive licenses, but excluding in the form of non-exclusive licenses) of (A) Registered Intellectual Property that, individually or in the aggregate, is material to the business or operations of the Borrower Group Members in the ordinary course of business, (B) Equity Interests in any Loan Party that is a Borrower Group Member and (C) all or substantially all of the assets of the Borrower Group.
Members, on a consolidated basis (assets described in clauses (A), (B) and (C), “Prohibited Assets”), and (iii) sales, transfers, leases or other dispositions in the form of cash, Permitted Investments, other cash equivalents or evidences of Indebtedness or constituting a Permitted Borrower Group Transaction (it being agreed that no sale, transfer, lease or other disposition shall be permitted by this clause (iii) unless such sale, transfer, lease or other disposition is permitted by and made in reliance on any of clauses (a) through (e) of this Section 6.08).

SECTION 6.09. Use of Proceeds; Margin Regulations. (a) The Company will not, and will not permit any Subsidiary to, use the proceeds of the Loans for any purpose other than for the general corporate purposes of the Company and the Subsidiaries, including working capital, capital expenditures and acquisitions. The Company will not, and will not permit any Subsidiary to, use any part of the proceeds of any Loan, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board of Governors, including Regulations T, U and X.

(b) The Borrower shall not request any Borrowing, and each of the Company and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Sanctioned Country except (A) as otherwise permitted pursuant to a license granted by the Office of Foreign Assets Control of the U.S. Department of the Treasury or (B) otherwise to the extent permissible for a Person required to comply with Sanctions or (iii) in any manner that would result in the violation of any Sanctions by any party hereto.

(c) The Company will not, and will not permit any Subsidiary to, use the proceeds of any Loan in Switzerland unless and until (i) use in Switzerland is possible without Swiss Withholding Tax consequences under the Swiss taxation laws in force from time to time or (ii) it is confirmed in a tax ruling by the Swiss Federal Tax Administration that any use in Switzerland is possible without Swiss Withholding Tax consequences.

SECTION 6.10. Leverage Ratio. Commencing on December 31, 2021, the Company will not permit the Leverage Ratio at any time (a) on and after December 31, 2021 and prior to March 31, 2023, to exceed 5.00:1.00, and (b) on and after March 31, 2023, to exceed 4.00:1.00.

SECTION 6.11. Minimum Liquidity. From and after the Closing Date and prior to December 31, 2021, the Company will not permit Liquidity at any time to be less than US$300,000,000.

SECTION 6.12. Investments and Acquisitions. The Company will not, and will not permit any Subsidiary (other than any Excluded Subsidiary) to, purchase or acquire (including pursuant to any merger or consolidation with any Person that was not a Wholly
(p) any other Acquisition or other Investment; provided that, immediately prior to the consummation thereof, and immediately after giving pro forma effect thereto, including to any related incurrence of Indebtedness, (i) no Event of Default shall have occurred and be continuing and (ii) the Company shall be in pro forma compliance with the covenant set forth in Section 6.10 (whether or not then in effect and, prior to December 31, 2021, using the covenant level specified for December 31, 2021);

(q) any Investment made in connection with any Securitization Transaction permitted by Sections 6.01 and 6.02;

(r) Investments by the Company or any other Loan Party in any Subsidiary that is not a Loan Party to the extent made with cash, Permitted Investments or cash equivalents necessary to fund an Acquisition or Investment permitted by clause (p) above or clause (v) below;

(s) to the extent constituting Investments, sales, transfers and other dispositions permitted by Sections 6.08(m), 6.08(n), 6.08(p), 6.08(s) and 6.08(sv);

(t) advances in the form of a prepayment of expenses, so long as such expenses are being paid in accordance with customary trade terms of the Company and its Subsidiaries;

(u) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers;

(v) any other Acquisition or other Investment; provided that (i) the aggregate amount of Acquisitions and other Investments permitted by this clause (v) shall not exceed US$500,000,000 at any time outstanding and (ii) in addition to the limitation set forth in clause (i), the aggregate amount of Investments permitted by this clause (v) that do not constitute Acquisitions shall not exceed US$150,000,000 at any time outstanding;

(w) Investments in the form of Permitted Call Spread Swap Agreements;

(x) Investments pursuant to, or arising from, the SilverRail Transactions; and

(y) Investments made by the Company or any Subsidiary in any Egencia Business Subsidiary in the form of a transfer of any assets or properties comprising the Egencia Business and any intercompany receivables owed by or to any Egencia Business Subsidiary (but not cash, Permitted Investments or other cash equivalents, except as described below), in connection with the Egencia Disposition; provided that, notwithstanding anything to the contrary in this clause (y), (1) the settlement, in connection with the Egencia Disposition, for cash, Permitted Investments or other cash equivalents of intercompany receivables arising in the ordinary course of business and owed to any Egencia Business Subsidiary shall be permitted and (2) the contribution of cash, Permitted Investments or other cash equivalents to fund the settlement, in connection with the Egencia Disposition, of intercompany receivables arising in the
ordinary course of business and owed by any Egencia Business Subsidiary shall be permitted.

Notwithstanding anything to the contrary in this Section or any other provision of this Agreement, no Investment in the form of a transfer of (i) Equity Interests in any Subsidiary held by the Company or any other Loan Party to any Subsidiary that is not a Loan Party shall be permitted by this Section 6.12 unless such transfer is also permitted by and made in reliance on Section 6.08(k), 6.08(m), 6.08(n), 6.08(q), 6.08(r), 6.08(u) or 6.08(v); or (ii) Intellectual Property by the Company or any other Loan Party to any Subsidiary that is not a Loan Party shall be permitted by this Section 6.12 unless such transfer is also permitted by and made in reliance on Section 6.08(c), 6.08(m), 6.08(q), 6.08(u) or 6.08(v); provided that, in each case under clauses (i) and (ii), any such transfer by any Borrower Group Member to the Company or any Subsidiary (other than a Borrower Group Member) is also permitted by and made in reliance on the last paragraph of Section 6.08.

SECTION 6.13. Maintenance of the Borrower as a Wholly Owned Subsidiary. Notwithstanding anything to the contrary herein, the Company will not permit the Borrower to cease to be a Wholly Owned Subsidiary; provided that this Section 6.13 shall not prohibit any merger or consolidation of the Borrower consummated in accordance with Section 6.04 or 6.08 so long as the surviving or continuing Person shall be a Wholly Owned Subsidiary that is a CFC Holdco, a Domestic Subsidiary and a Loan Party.

SECTION 6.14. Limitation on Certain Prepayments and Reductions. The Company will not, and will not permit any Subsidiary to, (a) so long as any Loans are outstanding, make any voluntary prepayment of any loan under the Company Credit Agreement (provided, however, that nothing in this clause (a) shall restrict the making of any prepayment of any loan under the Company Credit Agreement if, substantially concurrently with the making of such prepayment, a letter of credit with a face amount approximately equal to the amount of such prepayment is issued under the Company Credit Agreement), (b) so long as the aggregate amount of commitments under the Company Credit Agreement exceeds the sum of the aggregate principal amount of loans and the aggregate amount of other revolving credit exposures under the Company Credit Agreement (except to the extent such excess (i) may not be borrowed as loans under the Company Credit Agreement as a result of the failure of the condition precedent set forth in Section 4.02(c) of the Company Credit Agreement to be satisfied or (ii) is less than the Borrowing Minimum for Eurocurrency Loans denominated in US Dollars), make any borrowing of Loans hereunder or (c) voluntarily terminate or reduce the aggregate amount of commitments under the Company Credit Agreement. For the avoidance of doubt, this Section 6.14 shall not prohibit, substantially concurrently with the effectiveness of this Agreement on the Closing Date, the permanent reduction of “Tranche 1 Commitments” (as defined in the Company Credit Agreement) of each Lender (or its Affiliates) under the Company Credit Agreement and the prepayment of the “Tranche 1 Revolving Loans” (as defined in the Company Credit Agreement) held by each such Lender (or its Affiliates) under the Company Credit Agreement, in each case in an aggregate amount, or aggregate principal amount, as applicable, equal to the amount of the Commitment provided by such Lender under this Agreement.
Each Lender hereby agrees that (a) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a “Payment”) were erroneously transmitted to such Lender (whether or not known to such Lender) (any such Payment or any Payment identified as an Erroneous Payment in the immediately following paragraph, an “Erroneous Payment”), and demands the return of such Erroneous Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day (hereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (b) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments received, including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Administrative Agent to any Lender under this paragraph shall be conclusive, absent manifest error.

Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (a) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a “Payment Notice”) or (b) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment and that such Payment is, accordingly, an Erroneous Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error (and, accordingly, that such Payment (or portion thereof) is an Erroneous Payment), such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

The Borrower and each other Loan Party hereby agrees that (a) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (b) an Erroneous Payment shall not pay, prepaid, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party; provided that this paragraph

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[[5733040]]
shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Borrower or any other Loan Party relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made; provided, further, that for the avoidance of doubt, the immediately preceding clauses (a) and (b) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making any payment hereunder that became subject to such Erroneous Payment.

Each party’s obligations under the immediately preceding three paragraphs shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under the Loan Documents.

Notwithstanding anything herein to the contrary, no Arranger and no Person listed on the cover page of this Agreement as a “Co-Syndication Agent” or a “Co-Documentation Agent” shall have any duties or obligations under this Agreement or any other Loan Document (except in its capacity, as applicable, as a Lender), but all such Persons shall have the benefit of the exculpatory provisions, expense reimbursement and indemnities to the extent provided for hereunder or in any other Loan Documents.

Each Lender (a) represents and warrants, as of the date such Person became a Lender party hereto, to, and (b) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agents, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to
Communications or any Approved Electronic Platform. In no event shall any Agent or any of its Related Parties have any liability to any Loan Party, any Lender or any other Person for damages of any kind, including direct or indirect, special, incidental, consequential or punitive damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party’s or any Agent’s transmission of Communications through an Approved Electronic Platform, except to the extent that such direct (but not, for the avoidance of doubt, indirect, special, incidental, consequential or punitive) losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of any Agent or any of its Related Parties.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by either Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Without limiting the generality of the foregoing, the execution and delivery of this Agreement or the making of a Loan shall not be construed as a waiver of any Default, regardless of whether either Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Except as set forth in Section 2.14(b), neither any Loan Document nor any provision thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Company, the Borrower and the Required Lenders, or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are party thereto, in each case with the consent of the Required Lenders; provided that (i) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Company, the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency so long as, in each case, the Lenders shall have received at least 10 Business Days’ prior written notice thereof and the Administrative Agent shall not have received, within 10 Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment and (ii) no such agreement shall (A) increase the Commitment of any Lender without the written consent of such Lender, (B) reduce the principal amount of any Loan or reduce the rate of interest thereon (other than as a result of any waiver of any increase in the interest rate applicable to any Loan pursuant to Section 2.13(c)), or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (C) postpone the scheduled maturity date of any Loan, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, or waive, amend or modify Section 7.01(a), without the written consent of each Lender affected thereby, (D) change Section 2.18(b) or 2.18(c) in a manner that would alter the pro rata sharing of payments required thereby without
Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, other than, in the case of any such disclosure to a Participant or a prospective Participant, any such Participant or prospective Participant that shall have been identified, or is actually known to the disclosing Person to be an Affiliate of any Person identified, on Schedule 9.12, as such Schedule may be supplemented by the Company from time to time by a writing delivered to the Administrative Agent (it being understood and agreed that no Lender shall have any obligation to determine whether any Participant, or any prospective Participant, that is not identified on Schedule 9.12 is an Affiliate of any Person identified on such Schedule) or (B) any actual or prospective counterparty to any swap or derivative transaction relating to the Company, any Subsidiary or any of their respective obligations, (vii) with the consent of the Company, (viii) to the extent such Information (A) is or becomes publicly available other than as a result of a breach of this Section or (B) is or becomes available to either Agent or any Lender on a nonconfidential basis from a source other than the Company or the Borrower, (ix) to any credit insurance providers, (x) subject to an agreement containing provisions at least as restrictive as those of this Section, to (A) any rating agency in connection with rating the Company or the Subsidiaries or the credit facilities provided for herein or (B) the CUSIP Service Bureau in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein or (xi) to market data collectors, including league table providers, and other services providers to the lending industry, in each case, information of the type routinely provided to such service providers. For the purposes of this Section, “Information” means all information received from the Loan Parties relating to the Company, its Subsidiaries or their business, other than any such information that is available to either Agent or any Lender on a nonconfidential basis from a source other than the Company or the Borrower on a nonconfidential basis prior to delivery by a Loan Party; provided that, in the case of information received from a Loan Party after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) Each of the Agents, the Borrower and the Company agrees to keep each COF Rate (but not the Average COF Rate) confidential and not to disclose it to any other Person, and the Company further agrees to cause its Subsidiaries not to disclose any COF Rate to any other Person, except that (i) in the event a Eurocurrency Borrowing or a SONIA Borrowing is to bear interest by reference to the Average COF Rate as provided in Section 2.14, the Administrative Agent shall promptly disclose the COF Rate of each Lender, as communicated by such Lender to the Administrative Agent, to the Borrower, and (ii) each of the Agents, the Borrower and the Company may disclose any COF Rate (i) to any of its Affiliates and any of its or their respective Related Parties or auditors; provided that any such Person to whom such COF Rate is to be disclosed is informed in writing of its confidential nature and that it may be price-sensitive information; provided further that there shall be no requirement to so inform such Person if, in the opinion of the disclosing party, it is not practicable to do so under the circumstances, (ii) to any Person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the Person to whom such COF Rate is to be disclosed is informed in writing of its
Exhibit B

Exhibit B to Credit Agreement

[See attached.]
[FORM OF] BORROWING REQUEST

JP Morgan Chase Bank, N.A.
as Administrative Agent and London Agent
500 Stanton Christiana Road, Ops 2
3rd Floor Newark, DE 19713
Attention: Demetrius Dixon
Fax No. 1 (302) 634-3301
demetrius.dixon@chase.com

[Date]

Ladies and Gentlemen:

Reference is made to the Credit Agreement dated as of August 5, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Expedia Group, Inc., a Delaware corporation (the “Company”), Expedia Group International Holdings III, LLC, a Delaware limited liability company (the “Borrower”), the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and London Agent. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

This notice constitutes a Borrowing Request and the Borrower hereby gives you notice, pursuant to Section 2.03 of the Credit Agreement, that it requests a Borrowing under the Credit Agreement, and in connection therewith specifies the following information with respect to such Borrowing:

(A) Currency and aggregate principal amount of Borrowing:________________

(B) Date of Borrowing (which is a Business Day): ________________

(C) Type of Borrowing: ____________________________

(D) Interest Period and the last day thereof: ________________

1 Must comply with Section 2.02(c) of the Credit Agreement. If no currency is specified with respect to any requested Borrowing, then the Borrower shall be deemed to have selected US Dollars.

2 Specify ABR Borrowing (if denominated in US Dollars), SONIA Borrowing or Eurocurrency Borrowing. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be (a) in the case of a Borrowing denominated in US Dollars, an ABR Borrowing, (b) in the case of a Borrowing denominated in Sterling, a SONIA Borrowing and (c) in the case of a Borrowing denominated in any other currency, a Eurocurrency Borrowing.

3 Applicable to Eurocurrency Borrowings only. Shall be subject to the definition of “Interest Period” and can be a period of one, two (solely in the case of Borrowings denominated in Canadian Dollars), three or six months (or, with the consent of each Lender participating in the requested Borrowing, twelve months) thereafter. If an Interest Period is not specified, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

[Signature Page to Borrowing Request]
(E) Location and number of the Borrower’s account to which proceeds of the requested Borrowing are to be disbursed:
[Name of Bank] (Account No.:______________________________)

The Borrower hereby certifies that the conditions specified in Sections 4.02(a) and 4.02(b) of the Credit Agreement have been satisfied.\(^4\)

[Signature Page Follows]

\(^4\) Subject to the last sentence of Section 4.02 of the Credit Agreement.
Very truly yours,
EXPEDIA GROUP INTERNATIONAL HOLDINGS III, LLC
By:
  Name:
  Title:
**Expedia Group, Inc.’s subsidiaries**

**As of December 31, 2021**

The following is a list of subsidiaries of Expedia Group, Inc., omitting subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2021.

<table>
<thead>
<tr>
<th><strong>U.S. Subsidiaries</strong></th>
<th><strong>Jurisdiction</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cruise, LLC</td>
<td>United States - WA</td>
</tr>
<tr>
<td>EG Corporate Travel Holdings LLC</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Expedia, Inc.</td>
<td>United States - WA</td>
</tr>
<tr>
<td>HomeAway.com, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Hotwire, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Interactive Affiliate Network, LLC</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Orbitz Worldwide, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Orbitz Worldwide, LLC</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Orbitz, LLC</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Travelscape, LLC</td>
<td>United States - NV</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Foreign Subsidiaries</strong></th>
<th><strong>Jurisdiction</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedia Lodging Partner Services Sàrl</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Expedia.com Limited</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>trivago N.V.*</td>
<td>Netherlands</td>
</tr>
</tbody>
</table>

* Majority owned subsidiary
The following subsidiaries of Expedia Group, Inc. (the “Parent”) are Subsidiary Guarantors with respect to our debt securities:

<table>
<thead>
<tr>
<th>Guarantor</th>
<th>Jurisdiction of Formation</th>
</tr>
</thead>
<tbody>
<tr>
<td>BedandBreakfast.com, Inc.</td>
<td>United States – CO</td>
</tr>
<tr>
<td>CarRentals.com, Inc.</td>
<td>United States – NV</td>
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<tr>
<td>Cruise, LLC</td>
<td>United States - WA</td>
</tr>
<tr>
<td>EAN.com, LP</td>
<td>United States - DE</td>
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<tr>
<td>Expedia Group Commerce, Inc.</td>
<td>United States – DE</td>
</tr>
<tr>
<td>Expedia, Inc.</td>
<td>United States - WA</td>
</tr>
<tr>
<td>Expedia LX Partner Business, Inc.</td>
<td>United States – DE</td>
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<tr>
<td>Higher Power Nutrition Common Holdings, LLC</td>
<td>United States - DE</td>
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<tr>
<td>HomeAway Software, Inc.</td>
<td>United States - DE</td>
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<tr>
<td>HomeAway.com, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Hotels.com GP, LLC</td>
<td>United States - TX</td>
</tr>
<tr>
<td>Hotels.com, L.P.</td>
<td>United States - TX</td>
</tr>
<tr>
<td>Hotwire, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>HRN 99 Holdings, LLC</td>
<td>United States - NY</td>
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<tr>
<td>Interactive Affiliate Network, LLC</td>
<td>United States - DE</td>
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<tr>
<td>LEMS I LLC</td>
<td>United States - DE</td>
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<tr>
<td>LEXE Marginco, LLC</td>
<td>United States - DE</td>
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<tr>
<td>LEXEB, LLC</td>
<td>United States - DE</td>
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<tr>
<td>Liberty Protein, Inc.</td>
<td>United States - DE</td>
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<tr>
<td>O Holdings Inc.</td>
<td>United States – DE</td>
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<tr>
<td>Orbitz, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Orbitz, LLC</td>
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<tr>
<td>Orbitz Worldwide, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Orbitz Worldwide, LLC</td>
<td>United States - DE</td>
</tr>
<tr>
<td>Travelscape, LLC</td>
<td>United States - NV</td>
</tr>
<tr>
<td>Trip Network, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>VRBO Holdings, Inc.</td>
<td>United States - DE</td>
</tr>
<tr>
<td>WWTE, Inc.</td>
<td>United States – NV</td>
</tr>
</tbody>
</table>
Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-4/A No. 333-234777) of Expedia Group, Inc. and in the related Prospectus,
(2) Registration Statement (Form S-4/A No. 333-231164) of Expedia Group, Inc. and in the related Prospectus,
(3) Registration Statement (Form S-4 No. 333-221623) of Expedia, Inc. and in the related Prospectus
(4) Registration Statement (Form S-4 No. 333-213740) of Expedia, Inc. and in the related Prospectus,
(5) Registration Statement (Form S-4/A No. 333-175828) of Expedia, Inc. and in the related Prospectus,
(6) Registration Statement (Form S-4/A No. 333-169654) of Expedia, Inc. and in the related Prospectus,
(7) Registration Statement (Form S-4/A No. 333-208025) of Expedia, Inc. and in the related Prospectus,
(8) Registration Statement (Form S-3ASR No. 333-197974) of Expedia, Inc. and in the related Prospectus,
(9) Registration Statement (Form S-8 No. 333-178650) pertaining to the Expedia, Inc. 2005 Stock and Annual Incentive Plan, the Expedia, Inc. 401(k) Retirement Savings Plan, and the Expedia, Inc. Deferred Compensation Plan for Non-Employee Directors of Expedia, Inc.,
(10) Registration Statement (Form S-8 No. 333-187111) pertaining to the Expedia, Inc. 2013 Employee Stock Purchase Plan and the Expedia, Inc. 2013 International Employee Stock Purchase Plan,
(11) Registration Statement (Form S-8 No. 333-190254) pertaining to the Expedia, Inc. Second Amended 2005 Stock and Annual Incentive Plan,
(12) Registration Statement (Form S-8 No. 333-205996) pertaining to the Expedia, Inc. Third Amended 2005 Stock and Annual Incentive Plan,
(13) Registration Statement (Form S-8 No. 333-208548) pertaining to the HomeAway, Inc. 2011 Equity Incentive Plan,
(14) Registration Statement (Form S-8 No. 333-213715) pertaining to the Fourth Amended and Restated Expedia, Inc. 2005 Stock and Annual Incentive Plan,
(15) Registration Statement (Form S-8 No. 333-240255) pertaining to the Fifth Amended and Restated Expedia Group, Inc. 2005 Stock and Annual Incentive Plan,
(16) Registration Statement (Form S-3 No. 333-255843) of Expedia Group, Inc. and in the related Prospectus,
(17) Registration Statement (Form S-4 No. 333-255868) of Expedia Group, Inc. and in the related Prospectus, and
(18) Registration Statement (Form S-8 No. 333-258541) pertaining to the Amended and Restated Expedia Group, Inc. 2013 Employee Stock Purchase Plan and the Amended and Restated Expedia Group, Inc. 2013 International Employee Stock Purchase Plan;

of our reports dated February 10, 2022, with respect to the consolidated financial statements of Expedia Group, Inc. and the effectiveness of internal control over financial reporting of Expedia Group, Inc. included in this Annual Report (Form 10-K) of Expedia Group, Inc. for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Seattle, Washington
February 10, 2022
Exhibit 31.1

Certification

I, Barry Diller, Chairman and Senior Executive of Expedia Group, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Expedia Group, Inc.;

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

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

4. The registrant’s other certifying officers 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 we 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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 10, 2022

/s/ BARRY DILLER
Barry Diller
Chairman and Senior Executive
Certification

I, Peter M. Kern, Vice Chairman and Chief Executive Officer of Expedia Group, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Expedia Group, Inc.;

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

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

4. The registrant’s other certifying officers 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 we 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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 10, 2022

/s/ PETER M. KERN
Peter M. Kern
Vice Chairman and Chief Executive Officer
Certification

I, Eric Hart, Chief Financial Officer of Expedia Group, Inc., certify that:

1. I have reviewed this annual report on Form 10-K of Expedia Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officers 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 we 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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 10, 2022

/s/ ERIC HART
Eric Hart
Chief Financial Officer
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Barry Diller, Chairman and Senior Executive of Expedia Group, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (the “Report”) which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

Date: February 10, 2022

/s/ BARRY DILLER
Barry Diller
Chairman and Senior Executive
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter M. Kern, Vice Chairman and Chief Executive Officer of Expedia Group, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (the “Report”) which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

Date: February 10, 2022

/s/ PETER M. KERN

Peter M. Kern
Vice Chairman and Chief Executive Officer
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric Hart, Chief Financial Officer of Expedia Group, Inc. (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

1) the Annual Report on Form 10-K of the Company for the year ended December 31, 2021 (the “Report”) which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

Date: February 10, 2022

/s/ ERIC HART

Eric Hart

Chief Financial Officer
IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE EXPEDIA GROUP CONSOLIDATED
STOCKHOLDERS LITIGATION C.A. No. 2019-0494-JTL

ORDER AND FINAL JUDGMENT

A hearing having been held before this Court on January 19, 2022 pursuant to this Court’s Scheduling Order with Respect to Notice and Settlement Hearing, dated November 3, 2021 (the “Scheduling Order”), and upon a Stipulation of Compromise and Settlement, dated November 2, 2021 (the “Stipulation”) setting forth the terms of the Settlement of the above-captioned action (the “Action”), which is incorporated herein by reference, the Parties having appeared by their attorneys of record, the Court having heard and considered the submissions and evidence presented in support of the proposed Settlement and the application for an award of attorneys’ fees and expenses, the opportunity to be heard having been given to all other persons requesting to be heard in accordance with the Scheduling Order, and the Court having determined that notice of the Settlement was adequate and sufficient, and the entire matter of the proposed Settlement having been heard and considered by the Court,

IT IS ORDERED, ADJUDGED AND DECREED, this 19th day of January, 2022 that:
1. Unless otherwise defined herein, all capitalized terms shall have the same meanings as set forth in the Stipulation and the Scheduling Order.

2. The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement of the Action, as well as personal jurisdiction over all of the Parties and each of the Current Stockholders and Class Members, and it is further determined that Plaintiff, Defendants, Expedia, the Class, and all Current Stockholders, as well as their transferees, heirs, executors, successors, and assigns, are bound by this Order and Final Judgment (the “Judgment”).

3. The Notice and the Summary Notice have been given to Current Stockholders of the Company and members of the Class pursuant to and in the manner directed by the Scheduling Order, proof of mailing of the Notice and publication of the Summary Notice was filed with the Court and full opportunity to be heard has been offered to all Parties, Current Stockholders of the Company, members of the Class, and persons in interest. The Court finds that the form and means of the Notice and the Summary Notice was the best notice practicable under the circumstances and was given in full compliance with the requirements of Court of Chancery Rules 23 and 23.1, the United States Constitution (including the Due Process Clause), and all other applicable law and rules, and that all Current Stockholders of Expedia and members of the Class, as well as their transferees, heirs, executors, successors, and assigns, are bound by this Judgment.
4. With regard to the class action claims, pursuant to Court of Chancery Rules 23(a), 23(b)(1), and 23(b)(2):

   a. The Court finds that (i) the Class, as defined below, is so numerous that joinder of all members is impracticable; (ii) there are questions of law and fact common to the Class; (iii) the claims of the Plaintiff are typical of the claims of the Class; and (iv) the Plaintiff has fairly and adequately protected the interests of the Class;

   b. The Court finds that Plaintiff and Plaintiff’s Counsel have adequately represented the interests of the Class;

   c. The Court finds that the requirements of Court of Chancery Rules 23(b)(1) and (2) have been satisfied; and

   d. The Action is hereby finally certified as a class action on behalf of a class comprising all holders of shares of Expedia common stock that were issued and outstanding as of April 16, 2019 (the “Class Shares”), together with their heirs, assigns, transferees, and successors-in-interest, in each case solely in their capacity as holders or owners of Class Shares. Excluded from the Class are (i) Defendants, and the officers and directors of the Company as of April 16, 2019 (the “Excluded Parties” and each an “Excluded Party”); (ii) any of the Excluded Parties’ immediate family members, affiliates, parent companies, subsidiaries, legal representatives, heirs, estates, predecessors, successors, and assigns; and (iii) any
entity in which any Excluded Party has or had a direct or indirect controlling interest.

5. With respect to the derivative claims, the Court finds that Plaintiff in the Action has continuously held stock in the Company since the time of the alleged breaches of duty complained of in the Action, otherwise has standing to prosecute the Action, and is an adequate representative of all stockholders of Expedia.

6. The Court finally appoints Steamfitters Local 449 Pension Plan as representative of the Class and Expedia, with respect to the derivative claims, and finally appoints Labaton Sucharow LLP; Bernstein Litowitz Berger & Grossmann LLP; and Friedlander & Gorris, P.A. as Co-Lead Counsel for the Class and on behalf of Expedia with respect to the derivative claims.

7. Based on the record in the Action, each of the provisions of Chancery Court Rules 23 and 23.1 has been satisfied and the Action has been properly maintained according to the provisions of Chancery Court Rules 23 and 23.1.

8. The Court finds that the Settlement is fair, reasonable, adequate, and in the best interests of Expedia, its stockholders, and the Class.

9. Pursuant to Court of Chancery Rules 23 and 23.1, this Court fully and finally approves the Settlement in all respects, and the Parties are directed to consummate the Settlement in accordance with the terms of the Stipulation. The Register in Chancery is directed to enter and docket this Judgment.
10. The Action is hereby dismissed with prejudice as to all Defendants and as to Expedia, and against Plaintiff, all Current Stockholders, and the Class. As between Plaintiff and Defendants, the Parties are to bear their own costs, except as otherwise provided in paragraph 16 below or as otherwise provided in the Stipulation and the Scheduling Order.

11. Upon entry of the Judgment and the occurrence of the Effective Date, Expedia, Plaintiff, Plaintiff’s Releasees, and each and every other Class Member and Expedia stockholder, on behalf of themselves and any other person or entity who could assert any of the Released Plaintiff’s Claims on their behalf, in such capacity only, shall have fully, finally, and forever released, settled, and discharged, and shall forever be enjoined from prosecuting, the Released Plaintiff’s Claims against Defendants and any other Defendants’ Releasees.

12. Upon entry of this Judgment and the occurrence of the Effective Date, Defendants, the members of the SLC, and the other Defendants’ Releasees, on behalf of themselves and any other person or entity who could assert any of the Released Defendants’ claims on their behalf, in such capacity only, shall fully, finally, and forever release, settle, and discharge, and shall forever be enjoined from prosecuting, the Released Defendants’ Claims against Plaintiff’s Releasees.

13. The Parties are hereby authorized, without further approval from the Court, to agree to adopt such amendments, modifications, and expansions of the
Stipulation that are consistent with this Judgment and the Stipulation and that do not materially limit the rights of Plaintiff, Defendants, Expedia, the Class, or the Company’s stockholders under the Stipulation. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

14. Neither this Judgment, nor the Settlement, nor any act or omission in connection therewith shall be deemed or argued to be evidence of or to constitute an admission or concession by: (a) Defendants, Expedia, or any of the other Defendants’ Releasees as to (i) the truth of any fact alleged by Plaintiff, (ii) the validity of any claims or other issues raised, or which might be or might have been raised, in the Action or in any other litigation, (iii) the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or (iv) any wrongdoing, fault, or liability of any kind by any of them, which each of them expressly denies; or (b) Plaintiff or any of the other Plaintiff’s Releasees that any of their claims are without merit, that any of the Defendants or Defendants’ Releasees had meritorious defenses, or that damages or other relief recoverable in the Action would not have exceeded the terms of the Settlement. Defendants and the Defendants’ Releasees may file the Stipulation and/or this Judgment in any action that has been or may be brought against them in order to support a claim or defense based on principles of res judicata, collateral estoppel, release, good faith.
settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim or in connection with any insurance litigation.

15. In the event that the Settlement is terminated in its entirety pursuant to Paragraph 6.1 of the Stipulation or the Effective Date otherwise fails to occur for any other reason, then (i) the Settlement and the Stipulation (other than Section VI and Paragraph 3.3 thereof) shall be canceled and terminated; (ii) this Judgment and any related orders entered by the Court shall in all events be treated as vacated, nunc pro tunc; (iii) the Releases provided under this Judgment shall be null and void; (iv) the fact of the Settlement shall not be admissible in any proceeding before any court or tribunal; (v) all proceedings in the Action shall revert to their status as of immediately prior to the Parties’ agreement-in-principle to settle the action on July 28, 2021, and no materials created by or received from another Party that were used in, obtained during, or related to settlement discussions shall be admissible for any purpose in any court or tribunal, or used, absent consent from the disclosing Party, for any other purpose or in any other capacity, except to the extent that such materials are otherwise required to be produced during discovery in any other litigation; (vi) the Parties shall jointly petition the Court for a revised schedule for further proceedings; and (vii) the Parties shall proceed in all respects as if the
Settlement and the Stipulation (other than Section VI and Paragraph 3.3) had not been entered into by the Parties.

16. Plaintiff’s Counsel are awarded attorneys’ fees and expenses in the sum of $6,500,000.00 (“Fee and Expense Award”), which the Court finds to be fair and reasonable, to be paid in accordance with the terms of the Stipulation.

17. No proceedings or Court order with respect to the Fee and Expense Award shall in any way disturb or affect this Judgment (including precluding the Judgment from being Final or otherwise being entitled to preclusive effect), and any such proceedings or Court order shall be considered separate from this Judgment. Nothing herein dismisses or releases any claim by or against any Party to the Stipulation arising out of a breach of the Stipulation or violation of this Judgment.

18. Without affecting the finality of this Judgment in any way, this Court reserves jurisdiction over all matters relating to the administration, enforcement, and consummation of the Settlement and this Judgment.

19. There is no just reason to delay the entry of this Judgment as a final judgment in the Action. Accordingly, the Register in Chancery is expressly directed to immediately enter this final judgment in the Action.

/s/ J. Travis Laster

Vice Chancellor J. Travis Laster
IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE EXPEDIA GROUP
STOCKHOLDERS LITIGATION

CONSOLIDATED
C.A. No. 2019-0494-JTL

STIPULATION OF COMPROMISE AND SETTLEMENT

This Stipulation of Compromise and Settlement (the “Stipulation”) is made and entered into as of November 2, 2021. The parties to this Stipulation (each a “Party” and, collectively, the “Parties”), by and through their undersigned attorneys, have reached an agreement for the settlement of the above-captioned matter styled In re Expedia Group Stockholders Litigation, filed in the Court of Chancery of the State of Delaware (the “Court”), C.A. No. 2019-0494-JTL (the “Action”) on the terms set forth below (the “Settlement”) and subject to Court approval pursuant to Court of Chancery Rules 23 and 23.1. This Stipulation is intended to fully, finally, and forever resolve, discharge, and settle all claims asserted in the Action and all claims relating to the transactions and other matters challenged in the Action.

The Parties to this Stipulation are:

1. Lead Plaintiff Steamfitters Local 449 Pension Plan (“Steamfitters” or “Plaintiff”), a stockholder of Expedia Group, Inc. (“Expedia” or the “Company”), derivatively on behalf of Expedia pursuant to Court of Chancery
Rule 23.1, and on behalf of itself and the Class (as defined below) pursuant to Court of Chancery Rule 23;

2. Nominal defendant Expedia, a Delaware corporation;

3. Barry Diller, Alexander von Furstenberg, the Diller Foundation d/b/a the Diller-von Furstenberg Family Foundation (the “DVFFF”), Susan C. Athey, A. George “Skip” Battle, Craig A. Jacobson, Chelsea Clinton, Jonathan L. Dolgen, Courntee Chun, Pamela L. Coe, Christopher Shean, Peter M. Kern, Victor Kaufman, Dara Khosrowshahi, and Mark Okerstrom (collectively, the “Defendants”); and

4. The Special Litigation Committee of the Board of Directors of Expedia (the “Special Litigation Committee” or “SLC”).

WHEREAS,

Summary of the Action

A. In mid-November 2017, Expedia began exploratory discussions concerning a potential acquisition of Liberty Expedia Holdings, Inc. (“LEXE”), a holding company whose assets included high-vote Class B Common Stock Shares of Expedia (the “Class B Shares”). At the time of those discussions, Mr. Diller held certain rights pursuant to an Amended and Restated Stockholders Agreement, between Mr. Diller and LEXE, dated December 20, 2011, as amended on November 4, 2016 (the “Stockholders Agreement”), and an Amended and Restated
Governance Agreement, among Expedia, LEXE, and Mr. Diller, dated December 20, 2011 (the “Governance Agreement” and, together with the Stockholders Agreement, the “Existing Governance Agreements”).

B. Among Mr. Diller’s rights under the Stockholders Agreement was an irrevocable proxy to vote the shares of Expedia common stock and Class B Shares held by LEXE and its subsidiaries (“Mr. Diller’s Proxy”). In addition, under the Stockholders Agreement, Mr. Diller was provided (1) with the right to swap or exchange common shares of Expedia for any Class B Shares LEXE sought to dispose of through a defined Transfer (the “Swap/Exchange Right”); and (2) a tag-along right and a right of first refusal in the event of such a Transfer. Under the Governance Agreement, Expedia was required to hold high-vote Class B Shares so that such shares would be available for purchase by Mr. Diller for a period of two years following a transaction where LEXE transferred all its Expedia shares to an unaffiliated third party (the “Warehousing Right”).

C. After the termination of discussions in February 2018, discussions concerning a potential acquisition of LEXE by Expedia began again in late 2018 and a special committee to consider a potential transaction was established comprised of directors Craig Jacobson, A. George “Skip” Battle, and Susan Athey. The special committee retained Paul, Weiss, Rifkind, Wharton & Garrison and PJT Partners Inc. as its legal and financial advisors, respectively.
After months of investigation, negotiations and deliberations, in April 2019, Expedia and LEXE announced that they had reached agreement on a proposed merger whereby Expedia would acquire LEXE, as recommended by the special committee.

D. More specifically, on April 15, 2019, LEXE entered into an agreement and plan of merger (as amended on June 5, 2019, the “Merger Agreement”) with Expedia, LEMS I LLC, a single member Delaware limited liability company and wholly owned subsidiary of Expedia (“Merger LLC”), and LEMS II Inc., a Delaware corporation and a wholly owned subsidiary of Merger LLC (“Merger Sub”). The Merger Agreement provided for the merger of Merger Sub with and into LEXE (the “First-Step Merger”), with LEXE surviving as a wholly owned subsidiary of Merger LLC, and immediately following the First-Step Merger, the merger of LEXE with and into Merger LLC, with Merger LLC surviving as a wholly owned subsidiary of Expedia. The Merger Agreement provided for holders of LEXE common stock to receive 0.360 shares of Expedia common stock for each share of LEXE common stock held as of the time of the mergers (collectively the “Merger”).

E. In connection with the Merger, Expedia entered into an Exchange Agreement, dated as of April 15, 2019 (the “Exchange Agreement”), with Mr. Diller, the DVFFF and LEXE. Pursuant to the Exchange Agreement, Mr.
Diller and the DVFFF exchanged, immediately prior to closing of the Merger, 5,523,452 shares of Expedia common stock for an equal number of Class B Shares held by LEXE (the “Exchange”). As a result of the Exchange, Mr. Diller and the DVFFF obtained approximately 28% of the total voting power of Expedia on a post-Merger basis.

F. In addition, a new governance agreement was entered into (the “New Governance Agreement”). Under the New Governance Agreement, for nine months following closing of the Merger, Mr. Diller (directly or together with any third party that grants Mr. Diller a proxy over such shares and executes a joinder of that agreement) was entitled to acquire from Expedia up to 7,276,547 Expedia Class B Shares (the “Additional Shares”) (equal to the 12,799,999 shares owned by LEXE prior to the Merger minus the shares Mr. Diller obtained under the Exchange Agreement) by (a) exchanging shares of Expedia common stock on a 1:1 basis, or (b) purchasing the Class B Shares at a price determined by the average closing price of Expedia common stock over the immediately preceding five trading days (the “New Warehousing Right”). If Mr. Diller had exercised the New Warehousing Right in full, he would have acquired approximately 49% of the total voting power of Expedia including the Class B Shares acquired in the Exchange.

G. The Class B Shares acquired by Mr. Diller and the DVFFF pursuant to the Exchange are freely transferable. In contrast, Mr. Diller and the
DVFFF agreed with Expedia that any Additional Shares acquired would convert into Expedia common stock upon any transfer of those shares that represents more than 5% of the total outstanding voting power. In addition, Additional Shares would convert into common stock automatically upon Mr. Diller’s death, disability or such time as he no longer serves as Chairman of the Board or Senior Executive of Expedia.

H. The Merger closed on July 26, 2019. The Merger together with the Exchange Agreement and the New Governance Agreement are referred to as the “Transaction”.

I. In June and July of 2019, putative stockholders of Expedia filed three separate putative class action and derivative complaints challenging the Transaction, which the Court consolidated into this case on August 12, 2019. On September 20, 2019, the Court entered an Order Establishing Leadership Structure, designating Steamfitters as Lead Plaintiff and the law firms of Labaton Sucharow LLP, Friedlander & Gorris, P.A., and Bernstein Litowitz Berger & Grossmann LLP as Co-lead Counsel for Steamfitters and the putative class.

J. On October 17, 2019, Plaintiff filed a Consolidated Verified Class Action and Derivative Complaint in the Court, derivatively on behalf of Expedia and on behalf of itself and a Class of Expedia stockholders. Plaintiff filed a First Amended Consolidated Verified Class Action and Derivative Complaint
(the “Complaint”) on January 10, 2020. The Complaint asserts: (1) a direct and derivative claim for breach of fiduciary duty against the director Defendants; (2) a direct and derivative claim for breach of fiduciary duty against Mr. Diller contending Mr. Diller was Expedia’s controlling stockholder; (3) a direct and derivative claim for breach of fiduciary duty against Messrs. Diller and Okerstrom in their capacities as officers; (4) a derivative claim for unjust enrichment against Mr. Diller and the DVFFF; and (5) a claim for declaratory judgment against all Defendants that Mr. Diller had no contractual right or power to prevent or interfere with the Merger or to obtain any Class B Shares. Plaintiff’s central premise for this Action is that Mr. Diller orchestrated the Transaction in order to pass his “outsized voting influence” to his stepson, Alexander von Furstenberg. Plaintiff further alleged that Mr. Diller’s right to the Additional Shares was not triggered by the Merger under the terms of the Stockholders Agreement, and thus the Class B Shares were improperly transferred to Mr. Diller, granting him “dynastic control” of the Company.

K. On December 3, 2019, the Board of Directors of Expedia established, pursuant to Delaware law, a special litigation committee consisting of Julie Whalen and Jon Gieselman (the “SLC”), both of whom first joined the Board of the Company after the underlying events that led to the Transaction. The SLC was authorized, among other things, to investigate Plaintiff’s claims and to
determine an appropriate course of action with respect thereto, and all such determinations were deemed final and binding upon the Company and were not subject to review by the Board. On December 11, 2019, the SLC moved to stay the Action pending its investigation. Following briefing and argument, on January 9, 2020, the Court granted the SLC’s motion and stayed the litigation for six months, which period was later extended.

L. As part of the SLC’s investigation, it negotiated a stay of Mr. Diller’s New Warehousing Right to acquire the Additional Shares. On April 13, 2020, the Court entered an order requiring Expedia and Mr. Diller to maintain the status quo and prohibiting Mr. Diller from exercising the New Warehousing Right until the SLC completed its investigation. In accordance with the Court’s order, Expedia and Mr. Diller entered into Amendment No. 1 to the New Governance Agreement extending the deadline for Mr. Diller to exercise his right to acquire the Additional Shares to forty-five days after the SLC completed its investigation. That 45-day period ran on December 7, 2020, and Mr. Diller determined not to exercise the New Warehousing Right to acquire Class B Shares. Accordingly, Mr. Diller (together with the DVFFF) currently holds approximately 28% of the total voting power of Expedia, and Mr. Diller has relinquished any contract rights to acquire any of the Additional Shares.
M. The SLC conducted an investigation of the claims asserted in the Action consistent with its mandate over the course of nearly a year, assisted by its counsel Wilson Sonsini Goodrich & Rosati, P.C. As a result of its investigation, the SLC determined, among other things, that: (i) the Transaction was entirely fair to Expedia and its stockholders and no individual Defendant engaged in an actionable breach of fiduciary duty; (ii) neither Mr. Diller nor the DVFFF was unjustly enriched as a result of the Transaction; and (iii) there is no actionable claim for declaratory judgment relating to the governance agreements. The SLC found, contrary to the allegations of the Complaint, that there was no plan or intention for Mr. Diller’s stepson, Alexander von Furstenberg, to exercise a senior management position at Expedia, that both Mr. Diller and Mr. von Furstenberg had no such desire, and that the Transaction and related agreements were not part of any plan to gift to Mr. Diller or his family dynastic control of the Company. The SLC further found, also contrary to the allegations of the Complaint, that the Transaction likely triggered Mr. Diller’s right to the Exchange under the terms of the prior Stockholders Agreement between Mr. Diller and LEXE; that Mr. Diller and LEXE (including its Chairman Dr. John Malone) each considered that the Merger of LEXE and Expedia entitled Mr. Diller to swap for the Class B Shares under the terms of the Stockholders Agreement; and that LEXE would not have engaged in a transaction or the Merger that denied Mr. Diller the rights both he and
LEXE considered to belong to Mr. Diller under the Stockholders Agreement. The SLC further noted that the special committee’s negotiations with Mr. Diller had resulted in several contractual provisions favorable to the Company and its stockholders, including an equal treatment provision that the Class B Shares in perpetuity would not receive any greater or different consideration in a sale or merger of the Company than the common stock of the Company.

N. The SLC concluded that the special committee of the Expedia Board that negotiated the terms of the transaction acted in an independent manner and engaged in arms-length bargaining with respect to the Merger and the other aspects of the Transaction. In its Report, the SLC noted that it considered that Expedia and its stockholders derived numerous tangible benefits from the Transaction that would have been unavailable if Mr. Diller had not agreed to the Transaction, including, in addition to the equal treatment provision applicable to the Class B Shares, the acquisition of LEXE’s position in Expedia without the payment of a control premium and removal of the uncertainty of how things would transpire upon Mr. Diller’s death or disability whereupon LEXE would assume perpetual control of the Company and be in a position to sell that control to a unknown (and potentially undesirable) third party which could have led to an undesirable transaction for the Company’s minority stockholders. The SLC further noted that the Transaction ensured Mr. Diller’s continued involvement and
engagement in the business of Expedia, which the Company’s management and the special committee viewed as a positive given his successful track record.

O. Accordingly, the SLC concluded that it was not in the best interests of the Company and its stockholders to pursue claims arising from the Transaction and requested that the Action be dismissed. The SLC filed its report detailing its findings (the “Report”) and a Motion to Dismiss (the “Motion to Dismiss”) on October 23, 2020.

P. The SLC filed its Opening Brief in Support of its Motion to Dismiss on December 11, 2020.

Q. Plaintiff served its First Request for Production of Documents and First Set of Interrogatories directed to the SLC on January 8, 2021. The SLC served its Responses and Objections to Plaintiff’s First Request for Production on January 20, 2021, and its Responses and Objections to Plaintiff’s First Set of Interrogatories on February 8, 2021.

R. On March 25, 2021, the SLC filed a letter to update the Court on recent developments, including, among other things, that Mr. Gieselman stepped down from his position on the SLC.

S. On April 12, 2021, the SLC filed another letter to provide a further update to the Court and informed the Court that the Parties had begun settlement discussions aimed at resolving the Action.
T. The Parties engaged in extensive settlement discussions before reaching an agreement in principle, which was approved by the SLC on July 22, 2021. On July 28, 2021, the SLC filed a letter informing the Court that the parties had reached an agreement in principle to resolve the Action.

U. The Parties believe that the Settlement is in the best interests of the Parties, Expedia, the Class, and Expedia’s current stockholders and that the Settlement confers benefits upon Expedia, the Class, and Expedia’s current stockholders and that the interests of the Parties, Expedia, the Class, and Expedia’s current stockholders would best be served by settlement of the Action on the terms and conditions set forth herein.

**Plaintiff’s Claims and the Benefits of the Settlement**

V. Plaintiff believes that the claims asserted in the Action have merit, but also believes that the Settlement set forth below provides substantial and immediate benefits for Expedia, the Class, and Expedia’s current stockholders. In addition to these substantial benefits, Plaintiff and Plaintiff’s Counsel have considered: (i) the attendant risks of continued litigation and the uncertainty of the outcome of the Action; (ii) the work undertaken by the SLC and its conclusion that the Action should be dismissed; (iii) the probability of success on the merits; (iv) the inherent problems of proof associated with, and possible defenses to, the claims asserted in the Action; (v) the desirability of permitting the Settlement to be
consummated according to its terms; (vi) the expense and length of continued proceedings necessary to prosecute
the Action against Defendants through trial and appeals; and (vii) the conclusion of Plaintiff and Plaintiff’s
Counsel that the terms and conditions of the Stipulation are fair, reasonable, and adequate, and that it is in the best
interests of Expedia, the Class, and Expedia’s current stockholders to settle the Action on the terms set forth herein.

**Defendants’ Denials of Wrongdoing and Liability**

W. Defendants deny any and all allegations of wrongdoing, liability, violations of law or damages
arising out of or related to any of the conduct, statements, acts, or omissions alleged in the Action, and maintain
that their conduct was at all times proper, in the best interests of Expedia and its stockholders, and in compliance
with applicable law. Defendants further deny any breach of fiduciary duties. Defendants further deny that Mr.
Diller or the DVFFF were unjustly enriched by the Transaction. Defendants affirmatively assert that the
Transaction was the best possible transaction for Expedia and its stockholders, was entirely fair to Expedia and to
the unaffiliated stockholders, and has provided Expedia and its stockholders with substantial benefits. Defendants
also deny that Expedia or its stockholders were harmed by any conduct of Defendants alleged in the Action or that
could have been alleged therein. Each of Defendants asserts that, at all relevant times, they acted in good faith and
in a manner they reasonably
believed to be in the best interests of Expedia and all of its stockholders. Nevertheless, Defendants wish to eliminate the uncertainty, risk, burden, and expense of further litigation, and to permit the operation of Expedia without further distraction and diversion of its Board and personnel with respect to the Action. Defendants have therefore determined to settle the Action on the terms and conditions set forth in this Stipulation solely to put the Released Claims (as defined below) to rest, finally and forever, without in any way acknowledging any wrongdoing, fault, liability, or damages.

X. Nothing in this Stipulation shall be construed as any admission by Defendants of wrongdoing, fault, liability, or damages whatsoever. The SLC is joining in this Stipulation and supports the Settlement to avoid the cost to the Company of further litigation and because it considers the terms of the Settlement to be beneficial to Expedia and its stockholders.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, BY AND AMONG THE PARTIES TO THIS STIPULATION, subject to the approval of the Court pursuant to Court of Chancery Rules 23 and 23.1, that the Action shall be fully and finally compromised and settled, the Released Claims shall be released as against the Releasees (as defined below), and the Action shall be dismissed with prejudice, upon and subject to the following terms and conditions of the Settlement, as follows:
I. DEFINITIONS

1.1. “Class” means the holders of shares of Expedia common stock that were issued and outstanding as of April 16, 2019 (the “Class Shares”), together with their heirs, assigns, transferees, and successors-in-interest, in each case solely in their capacity as holders or owners of Class Shares. Excluded from the Class are (i) Defendants, and the officers and directors of the Company as of April 16, 2019 (the ‘Excluded Parties’ and each an ‘Excluded Party’); (ii) any of the Excluded Parties’ immediate family members, affiliates, parent companies, subsidiaries, legal representatives, heirs, estates, predecessors, successors, and assigns; and (iii) any entity in which any Excluded Party has or had a direct or indirect controlling interest.

1.2. “Class Members” means a member of the Class.

1.3. “Current Stockholders” means any Person or Persons (as defined below) who are record or beneficial owners of Expedia common stock as of the close of business on the date of this Stipulation.

1.4. “Defendants’ Counsel” means Wachtell, Lipton, Rosen & Katz; Morris, Nichols, Arsht & Tunnell LLP; Paul, Weiss, Rifkind, Wharton & Garrison LLP; Ross Aronstam & Moritz LLP; Baker Botts L.L.P.; Potter Anderson & Corroon, LLP, and Expedia’s Counsel.
1.5. “Defendants’ Releasees” means Expedia, Defendants, the members of the SLC, and their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, associates and insurers, co-insurers and re-insurers (except with respect to any claims any Defendant or Expedia may have against any of their respective insurers, co-insurers, or re-insurers, to the extent such claims are not otherwise released pursuant to other documentation) and those of the SLC Counsel and Defendants’ Counsel.

1.6. “Effective Date” means the date that the Judgment, which approves in all material respects the releases provided for in the Stipulation and dismisses the Action with prejudice, becomes Final (as defined below).
1.7. “Expedia’s Counsel” means Friedman Kaplan Seiler & Adelman LLP and Heyman Enerio Gattuso & Hirzel LLP.

1.8. “Final” means, with respect to any judgment or order, that (i) if no appeal is filed, the expiration date of the time for filing or noticing of any appeal of the judgment or order; or (ii) if there is an appeal from the judgment or order, the date of (a) final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise to review the judgment or order, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review of the judgment or order, and, if certiorari or other form of review is granted, the date of final affirmance of the judgment or order following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to attorneys’ fees or expenses shall not in any way delay or preclude the Judgment from becoming Final.

1.9. “Judgment” means the Order and Final Judgment to be entered by the Court dismissing this Action with prejudice, substantially in the form annexed hereto as Exhibit D.

1.10. “Notice” means the Notice of Pendency and Proposed Settlement of Action, substantially in the form annexed hereto as Exhibit B.
1.11. “Person” means a natural person, individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, association, joint venture, joint stock company, estate, legal representative, trust, unincorporated association, government, or any political subdivision or agency thereof, or any other business or legal entity.

1.12. “Plaintiff’s Counsel” means Plaintiff’s Lead Counsel and any other legal counsel who, at the direction and under the supervision of Plaintiff’s Lead Counsel, performed services in the Action.

1.13. “Plaintiff’s Lead Counsel” means Labaton Sucharow LLP; Bernstein Litowitz Berger & Grossmann LLP; and Friedlander & Gorris, P.A.

1.14. “Plaintiff’s Releasees” means Plaintiff, each of the other Class Members and Expedia stockholders, Plaintiff’s Counsel, and their respective past, present, or future family members, spouses, heirs, trusts, trustees, executors, estates, administrators, beneficiaries, distributees, foundations, agents, employees, fiduciaries, partners, partnerships, general or limited partners or partnerships, joint ventures, member firms, limited liability companies, corporations, parents, subsidiaries, divisions, affiliates, associated entities, stockholders, principals, officers, directors, managing directors, members, managing members, managing agents, predecessors, predecessors-in-interest, successors, successors-in-interest, assigns, financial or investment advisors, advisors, consultants, investment
bankers, entities providing any fairness opinion, underwriters, brokers, dealers, financing sources, lenders, commercial bankers, attorneys, personal or legal representatives, accountants, associates and insurers, co-insurers and re-insurers.

1.15. “Released Claims” means Released Plaintiff’s Claims (as defined below) and Released Defendants’ Claims (as defined below).

1.16. “Released Defendants’ Claims” means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues, and controversies of any kind, nature, or description whatsoever, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including known claims and Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), arising out of or relating to this litigation through the date of this Stipulation, including, without limitation, all actions taken by Plaintiff or Plaintiff’s Counsel in connection with the initiation, prosecution, and settlement of this Action through the date of this Stipulation. For the avoidance of doubt, the Released Defendants’ Claims do not include any claims for advancement or
indemnity of their legal fees, costs, and expenses incurred in connection with the Action and this Settlement, or any claims that any Defendant or Expedia may have against any of their respective insurers, co-insurers, or reinsurers, to the extent such claims are not otherwise released pursuant to other documentation.

1.17. “Released Plaintiff’s Claims” means any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature, or description whatsoever, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including known claims and Unknown Claims, whether based on state, local, foreign, federal, statutory, regulatory, common, or other law or rule (including claims within the exclusive jurisdiction of the federal courts), that are, have been, could have been, could now be, or in the future could, can, or might be asserted, in the Action or in any other court, tribunal, or proceeding by (i) Plaintiff or any other member of the Class arising out of the holding of shares of Expedia common stock or (ii) by Plaintiff or any other Expedia stockholder derivatively on behalf of Expedia, or by Expedia directly, against any of the Defendants’ Releasees, which, now or hereafter, are based upon,
arise out of, or relate to any of the actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims, or any other matters related to the Transaction or this litigation and the settlement thereof, including the SLC’s investigation, except for claims relating to the enforcement of the Settlement and for any claims that any Defendant or Expedia may have for advancement or indemnity of their legal fees, costs, and expenses incurred in connection with the Action and this Settlement, or any claims that any Defendant or Expedia may have against any of their respective insurers, co-insurers, or reinsurers, to the extent such claims are not otherwise released pursuant to other documentation.

1.18. “Releasees” means Plaintiff’s Releasees and Defendants’ Releasees.

1.19. “Releases” means the releases set forth in Section II.B below.

1.20. “Scheduling Order” means an order scheduling a hearing on the Stipulation and approving the form of Notice and method of giving notice, substantially in the form annexed hereto as Exhibit A.

1.21. “Settlement Consideration” means the acts set forth in Paragraphs 2.1 to 2.9 herein.

1.22. “Settlement Hearing” means the hearing (or hearings) at which the Court will review and assess the adequacy, fairness, and reasonableness of the
Settlement, and the appropriateness and amount of the award of attorneys’ fees and expenses to be awarded by the Court (as set forth in Sections IV-V, below).

1.23. “Summary Notice” means the Summary Notice of Pendency and Proposed Settlement of Action, substantially in the form annexed hereto as Exhibit C.

1.24. “SLC Counsel” means Wilson Sonsini Goodrich & Rosati, P.C.

1.25. “Unknown Claims” means any Released Plaintiff’s Claims that Plaintiff, any Plaintiff’s Releasee, the Class, Expedia, or any other Expedia stockholder does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff’s Claims against the Defendants’ Releasees, and any Released Defendants’ Claims that any of Defendants or any of the other Defendants’ Releasees does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant’s Claims against the Plaintiff’s Releasees, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Plaintiff’s Claims and Released Defendants’ Claims, the Parties stipulate and agree that Plaintiff, Expedia, and each of the Defendants shall expressly waive, and each of the other Class Members, each of the other Plaintiff’s Releasee, Expedia stockholders and each of the other Defendants’ Releasees shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all
provisions, rights, and benefits conferred by California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

and any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542. Plaintiff, Expedia, and each of the Defendants acknowledge, and each of the other Class Members, Plaintiff’s Releasees and Expedia stockholders and each of the other Defendants’ Releasees shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement.

II. TERMS OF SETTLEMENT

A. Settlement and the Settlement Consideration

2.1. **Mr. Diller’s relinquishment of rights.** By way of background, and as recounted above, Mr. Diller previously chose not to increase his voting percentage in Expedia despite his right to do so in connection with the Transaction under the terms of the New Warehousing Right that entitled him to swap common shares or other consideration with Expedia for up to an additional 7,276,547 Class B shares (i.e., the Additional Shares). By allowing that contractual right to expire
unexercised, Mr. Diller relinquished the right to obtain an additional approximately 20% of Expedia voting power that could have been utilized by him during his lifetime. As a result, Mr. Diller (either directly or through a trust controlled by him) and DVFFF hold all of the outstanding Class B Shares (5,523,452 shares), which represent approximately 28% of the voting power of all Expedia outstanding stock.

2.2. **Addressing the role of Mr. Diller’s family members at Expedia following Mr. Diller’s Departure.** Also, as recounted above, the SLC Report found that, contrary to the allegations of the Complaint, there was no plan or intention for Mr. Diller’s stepson Alexander von Furstenberg to exercise a senior management position at Expedia. In accordance with the findings in the SLC Report, following Mr. Diller’s departure from all roles at Expedia (“Mr. Diller’s Departure”), no family member of Mr. Diller has any intention to seek or will seek any executive position at Expedia or serve as Chair of the Board of Expedia.

2.3. Accordingly, Expedia agrees that following Mr. Diller’s Departure, no immediate family member of Mr. Diller will serve in any executive position at Expedia or as Chair of the Board of Expedia.

2.4. Prior to Mr. Diller’s Departure, the number of immediate family members of Mr. Diller (including Mr. Diller himself) who can serve on the Board
of Expedia shall be limited to two. (Mr. von Furstenberg continues to serve as a member of the Expedia Board.)

2.5. Following Mr. Diller’s Departure, (i) in no event shall more than one member of the Diller family serve on the Expedia Board at any one time, and (ii) in the event that (a) no family member of Mr. Diller is already serving on the Expedia Board, and (b) a “Diller-related Person” (defined as Mr. Diller, a family member of Mr. Diller or an entity owned directly or indirectly by Mr. Diller or one or more family members, the DVFFF, a charitable or other trust for the benefit of any of the foregoing, or any person or entity that comes to hold Class B shares as a result of Mr. Diller’s estate planning) owns in the aggregate at least 5% of the outstanding common equity of Expedia or a 15% voting interest in the Company, then Expedia agrees to nominate to serve as a director on the Board one family member of Mr. Diller or one representative designated by Mr. Diller’s family; provided further that any member of Mr. Diller’s family added under this (ii) shall also require the support of two-thirds (2/3) of Expedia’s independent directors to serve as a director.

2.6. Addressing the Expedia Class B shares following Mr. Diller’s Departure. The provisions of the following Paragraphs 2.7-2.9 shall apply to the Expedia Class B shares following Mr. Diller’s Departure.
2.7. **Limitation on Class B voting power by Diller-related Persons.** Following Mr. Diller’s Departure, the voting percentage that can be cast by Class B Shares held or controlled by Diller-related Persons shall be limited to 20% of the voting power of all outstanding Expedia common stock with respect to (a) any merger, sale or other extraordinary transaction requiring the approval of Expedia stockholders and (b) director elections (except as to voting for the election of directors supported by a majority of the Board, in which case the limit shall not apply). Any shares in excess of the limit, when applicable, shall be voted in proportion to votes cast (x) in the case of clause (a), by the common shares not held by Mr. Diller or other Diller-related Persons and (y) in the case of clause (b), by the common shares not held by (1) Mr. Diller or other Diller-related Persons or (2) any other stockholder or other person, or group of such persons, soliciting proxies or acting as a group with respect to one or more nominees not nominated by the Expedia Board or the appropriate committee thereof. The provisions of this paragraph shall not apply to any votes of only the Class B shares required by law or exchange or other regulation.

2.8. **Expedia’s right of first offer.** Prior to selling or agreeing to a sale of Class B shares then held by Mr. Diller or other Diller-related Persons that represent 10% or more of the voting power of Expedia common stock, Expedia shall be advised of the interest in such a transaction and shall have the opportunity to offer
to purchase the shares contemplated to be sold, as follows: the Company shall have 30 days to offer a price for the relevant shares, and, if the Company makes an offer, thereafter the selling party or parties shall have 15 days to either (a) accept or reject that offer, or (b) make a counteroffer. In the event of a counteroffer, the Company shall have 15 days to accept or reject that offer. Following that process (or following the end of such 30-day period if the Company did not make an offer), the selling party or parties shall be free to proceed to sell the Class B shares for a price not less than the price offered by the Company (or if the Company did not make any offer, for any price). In the event that the shares are not sold or subject to an agreement of sale within 10 months of the conclusion of the right of first offer process, the Company’s right of first offer shall again apply, regardless of the number of times such right is reset under this provision on account of the shares not being sold within the 10-months period. For the avoidance of doubt, the calculation of the 10% or more of the voting power that triggers the Company’s right of first offer pursuant to this paragraph shall include any series of transactions with the same counter-party that are part of a single agreement.

2.9. **Expedia’s reasonable cooperation in sale process.** In connection with a sale of the Class B Shares by Mr. Diller or another Diller-related Person, Expedia shall cooperate and use reasonable efforts to permit such sale to be consummated promptly, including, without limitation, making any required regulatory filings,
registering the transfer of the shares in the stock ledger of the Company and, if applicable, requesting that the Company’s depositary or book-entry transfer agent register such sale, providing customary documentation in connection with such sale (such as a customary legal opinion if requested by the depositary or transfer agent, or evidence of transfer, such as a stock certificate, if applicable), and shall not take any action that would have the purpose or effect of prohibiting or delaying such sale (including adopting a stockholders rights plan). If requested by the transferee, and subject to a customary confidentiality agreement reasonably acceptable to the Company, the Company shall permit the transferee to conduct limited due diligence relating to the Company, its business and affairs, appropriate for an investment of comparable size in a company of the Company’s scale, which due diligence shall not require more than one meeting with senior management and shall not otherwise interfere unreasonably with the Company’s operations. In addition, if the proposed transferee so requests and agrees to enter into a standstill in customary form at 30% of the Expedia voting power (until the earlier of such time as the transferee owns less than 15% of the Company’s outstanding voting power or 3 years), the Board will waive the provisions of 8 Del. C. § 203 for such transferee unless it determines that such waiver would be reasonably likely to constitute a violation of the directors’ fiduciary duties owing to the identity or plans of the proposed transferee.
**B. Releases**

2.10. Upon entry of the Judgment, Expedia, Plaintiff, Plaintiff’s Releasees, and each and every other Class Member and Expedia stockholder, on behalf of themselves and any other person or entity who could assert any of the Released Plaintiff’s Claims on their behalf, in such capacity only, shall have fully, finally, and forever released, settled, and discharged, and shall forever be enjoined from prosecuting, the Released Plaintiff’s Claims against Defendants and any other Defendants’ Releasees.

2.11. Upon entry of the Judgment, Defendants, the members of the SLC, and the other Defendants’ Releasees, on behalf of themselves and any other person or entity who could assert any of the Released Defendants’ Claims on their behalf, in such capacity only, shall have fully, finally, and forever released, settled, and discharged, and shall forever be enjoined from prosecuting, Defendants’ Claims against Plaintiff’s Releasees.

**C. Dismissal of Action**

2.12. Upon entry of the Judgment, the Action shall be dismissed with prejudice.

2.13. Plaintiff, Defendants, and Expedia shall each bear his, her, or its own fees, costs, and expenses, except as expressly provided in this Stipulation, provided that nothing herein shall affect the Expedia directors’ claims for advancement or...
indemnity of their legal fees, costs, and expenses incurred in connection with the Action and this Settlement, or any claims that any Defendant or Expedia may have against any of their respective insurers, co-insurers, or reinsurers, to the extent such claims are not otherwise released pursuant to other documentation.

III. PROCEDURE FOR APPROVAL

3.1 Immediately after execution of this Stipulation, the Parties shall jointly submit the Stipulation together with its related documents to the Court, and shall apply to the Court for entry of the Scheduling Order, substantially in the form annexed hereto as Exhibit A.

3.2 In accordance with the Scheduling Order, Expedia shall mail, or cause to be mailed, by first class U.S. mail or other mail service if mailed outside the U.S., postage prepaid, the Notice, substantially in the form attached hereto as Exhibit B, to Current Stockholders and all members of the Class at their last known address appearing in the stock transfer records maintained by or on behalf of Expedia. All Current Stockholders and all members of the Class who are record holders of Expedia common stock on behalf of beneficial owners shall be directed to forward the Notice promptly to the beneficial owners of those securities. In accordance with the Scheduling Order, Expedia shall also cause the Summary Notice to be published in the Investor's Business Daily and over the Business Wire.
3.3 Expedia shall pay any and all costs and expenses related to providing notice of the proposed Settlement ("Notice Costs") regardless of the form or manner of notice approved or directed by the Court and regardless of whether the Court declines to approve the Settlement or the Effective Date otherwise fails to occur. In no event shall Plaintiff, any other Class Member or Expedia stockholder, Defendants, or any of their attorneys (including Plaintiff’s Counsel) be responsible for any Notice Costs.

3.4 The Parties and their attorneys agree to use their individual and collective best efforts to obtain Court approval of the Settlement. The Parties and their attorneys further agree to use their individual and collective best efforts to effect, take, or cause to be taken all actions, and to do, or cause to be done, all things reasonably necessary, proper, or advisable under applicable laws, regulations, and agreements to consummate and make effective, as promptly as practicable, the Settlement provided for hereunder and the dismissal of the Action with prejudice. The Parties and their attorneys agree to cooperate fully with one another in seeking the Court’s approval of this Settlement and to use their best efforts to effect the consummation of the Settlement.

3.5 If the Settlement embodied in this Stipulation is approved by the Court, the Parties and the SLC shall request that the Court enter the Judgment, substantially in the form attached hereto as Exhibit D.
IV. ATTORNEYS’ FEES AND EXPENSES

4.1 Plaintiff’s Counsel intend to petition the Court for an all-in award of attorneys’ fees and litigation expenses, in an amount no greater than $6,500,000.00 (the “Fee and Expense Application”), based on the benefits provided to Expedia, the Class, and Expedia’s stockholders from the Settlement.

4.2 Defendants, Expedia, and the SLC agree that they will not object to or otherwise take any position on the Fee and Expense Application so long as the Fee and Expense Application seeks an award no greater than $6,500,000.00. Expedia shall cause to be paid to Plaintiff’s Counsel any attorneys’ fees and expenses that are awarded by the Court (the “Fee and Expense Award”). The Fee and Expense Award shall be paid to Plaintiff’s Counsel within five (5) business days after the entry of the Judgment, notwithstanding the existence of any timely filed objections to the Fee and Expense Award or the Settlement, or potential for appeal therefrom, or collateral attack on the Fee and Expense Award, the Settlement, or any part thereof.

4.3 If, after payment of the Fee and Expense Award, the Fee and Expense Award is reversed, vacated, or reduced by final non-appealable order, or the Settlement is terminated in accordance with the terms of this Stipulation, Plaintiff’s Counsel shall, within ten (10) business days after receiving from Expedia’s Counsel or from a court of appropriate jurisdiction notice of the termination of the
Settlement or notice of any reduction of the Fee and Expense Award by final non-appealable order, return to Expedia the difference between the attorneys’ fees and expenses awarded by the Court in the Fee and Expense Award and paid to Plaintiff’s Counsel on the one hand, and any attorneys’ fees and expenses ultimately and finally awarded on appeal, further proceedings on remand, or otherwise on the other hand.

4.4. Plaintiff’s Lead Counsel shall allocate the Fee and Expense Award amongst Plaintiff’s Counsel in a manner which they, in good faith, believe reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action.

4.5. The Fee and Expense Award shall be the sole compensation for Plaintiff’s Counsel in connection with the Action and the Settlement. Defendants’ Releasees shall have no responsibility for or liability whatsoever with respect to the allocation of the Fee and Expense Award to or among Plaintiff’s Counsel.

4.6. Defendants shall not be liable for or obligated to pay any fees, expenses, costs, or disbursements, or to incur any expense on behalf of, any person or entity (including, without limitation, Plaintiff or Plaintiff’s Counsel), directly or indirectly, in connection with the Action or the Settlement, except as expressly provided for in this Stipulation, provided that nothing herein shall affect the
Expedia directors’ claims for advancement or indemnity for their legal fees, costs and expenses incurred in connection with the Action and this Settlement.

4.7. Neither Plaintiff nor Plaintiff’s Counsel shall be liable for or obligated to pay any fees, expenses, costs, or disbursements to, or incur any expenses on behalf of, any person or entity (including, without limitation, Defendants, Expedia, or their counsel), directly or indirectly, in connection with the Action or the Settlement.

4.8. This Stipulation, the Settlement, the Judgment, and whether the Judgment becomes Final, are not conditioned upon the approval of an award of attorneys’ fees, costs, or expenses, either at all or in any particular amount, by the Court.

4.9. Plaintiff’s Counsel warrants that no portion of any such award of attorneys’ fees or expenses shall be paid to Plaintiff, except as may be approved by the Court.

V. STAY PENDING COURT APPROVAL

5.1. Pending Court approval of the Stipulation, the Parties agree to stay any and all proceedings in the Action other than those incident to the Settlement.

5.2. Except as necessary to pursue the Settlement and determine a Fee and Expense Award, pending final determination of whether the Stipulation should be approved, all Parties to the Action (including Plaintiff, Defendants, and Expedia)
agree not to institute, commence, prosecute, continue, or in any way participate in, whether directly or indirectly, representatively, individually, derivatively on behalf of Expedia, or in any other capacity, any action or other proceeding asserting any Released Claims.

5.3. Notwithstanding Paragraphs 5.1 and 5.2, nothing herein shall in any way impair or restrict the rights of any Party to defend this Stipulation or to otherwise respond in the event any Person objects to the Stipulation, the proposed Judgment to be entered, and/or the Fee and Expense Application.

VI. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION

6.1. Plaintiff and Defendants (provided they unanimously agree or if only certain Defendants are affected by the occurrence of any event set forth in clauses (ii) through (iv) below, provided that such Defendants as are affected agree) shall each have the right to terminate the Settlement and this Stipulation solely by providing written notice of their election to do so (“Termination Notice”) to the other parties to this Stipulation within thirty (30) calendar days of: (i) the Court’s declining to enter the Scheduling Order in any material respect; (ii) the Court’s refusal to approve this Stipulation or any part of it that materially affects any Party’s rights or obligations hereunder; (iii) the Court’s declining to enter the Judgment in any material respect; or (iv) the date upon which the Judgment is
modified or reversed in any material respect by an appellate court. Neither a modification nor a reversal on appeal of the amount of fees, costs, and expenses awarded by the Court to Plaintiff’s Counsel shall be deemed a material modification of the Judgment or this Stipulation.

6.2. In the event that the Settlement is terminated pursuant to the terms of Paragraph 6.1 of this Stipulation or the Effective Date otherwise fails to occur for any other reason, then (i) the Settlement and this Stipulation (other than this Section VI and Paragraph 3.3 above) shall be canceled and terminated; (ii) any judgment entered in the Action and any related orders entered by the Court shall in all events be treated as vacated, nunc pro tunc; (iii) the Releases provided under the Settlement shall be null and void; (iv) the fact of the Settlement shall not be admissible in any proceeding before any court or tribunal; (v) all proceedings in the Action shall revert to their status as of immediately prior to the Parties’ agreement-in-principle to settle the action on July 28, 2021, and no materials created by or received from another Party that were used in, obtained during, or related to settlement discussions shall be admissible for any purpose in any court or tribunal, or used, absent consent from the disclosing party, for any other purpose or in any other capacity, except to the extent that such materials are otherwise required to be produced during discovery in any other litigation; (vi) the Parties shall jointly petition the Court for a revised schedule for further proceedings; and
the Parties shall proceed in all respects as if the Settlement and this Stipulation (other than this Section VI and Paragraph 3.3 above) had not been entered into by the Parties

VII. NO ADMISSION OF LIABILITY

7.1. It is expressly understood and agreed that neither the Settlement nor any act or omission in connection therewith is intended or shall be deemed or argued to be evidence of or to constitute an admission or concession by: (a) Defendants, Expedia, or any of the other Defendants’ Releasees as to (i) the truth of any fact alleged by Plaintiff, (ii) the validity of any claims or other issues raised, or which might be or might have been raised, in the Action or in any other litigation, (iii) the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or (iv) any wrongdoing, fault, or liability of any kind by any of them, which each of them expressly denies; or (b) Plaintiff or any of the other Plaintiff’s Releasees that any of their claims are without merit, that any of the Defendants or Defendants’ Releasees had meritorious defenses, or that damages or other relief recoverable in the Action would not have exceeded the terms of the Settlement. Defendants and the Defendants’ Releasees may file this Stipulation and/or Judgment in any action that has been or may be brought against them in order to support a claim or defense based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or
any other theory of claim preclusion or issue preclusion or similar defense or counterclaim or in connection with any insurance litigation.

VIII. MISCELLANEOUS PROVISIONS

8.1. This Stipulation shall be deemed to have been mutually prepared by the Parties and shall not be construed against any of them by reason of authorship.

8.2. The Parties agree that in the event of any breach of this Stipulation, all of the Parties’ rights and remedies at law, equity, or otherwise, are expressly reserved.

8.3. The Parties agree there will be no public announcements regarding this Settlement until Expedia has announced or disclosed it or the Stipulation has been filed with the Court. To the extent permitted by law, all agreements made and orders entered during the course of the Action relating to the confidentiality of documents or information shall survive this Stipulation.

8.4. This Stipulation may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. Any signature to the Stipulation by means of facsimile or electronic scanning shall be treated in all manner and respects as an original signature and shall be considered to have the same binding legal effect as if it were the original signed version thereof and without any necessity for delivery of the
originally signed signature pages in order for this to constitute a binding agreement.

8.5. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

8.6. Each counsel or other person executing this Stipulation on behalf of any Party warrants that he or she has the full authority to bind his or her principal to this Stipulation.

8.7. Plaintiff and Plaintiff’s Counsel represent and warrant that none of Plaintiff’s claims referred to in this Stipulation or that could have been alleged in the Action have been assigned, encumbered, or in any manner transferred in whole or in part.

8.8. This Stipulation shall not be modified or amended, nor shall any provision of this Stipulation be deemed waived, unless such modification, amendment, or waiver is in writing and executed by or on behalf of the Party or Parties against whom such modification, amendment, or waiver is sought to be enforced.

8.9. Any failure by any Party to insist upon the strict performance by any other Party of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any
and all of the provisions of this Stipulation to be performed by such other Party. Waiver by any Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation, and failure by any Party to assert any claim for breach of this Stipulation shall not be deemed to be a waiver as to that or any other breach and will not preclude any Party from seeking to remedy a breach and enforce the terms of this Stipulation. Each of the Defendants’ respective obligations hereunder are several and not joint, and the breach or default by one Defendant shall not be imputed to, nor shall any Defendant have any liability or responsibility for, the obligations of any other Defendant herein.

8.10. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties hereto.

8.11. Notwithstanding the entry of the Judgment, the Court shall retain jurisdiction with respect to the implementation, enforcement, and interpretation of the terms of the Stipulation, and all Parties submit to the jurisdiction of the Court for all matters relating to the administration, enforcement, and consummation of the Settlement and the implementation, enforcement, and interpretation of the Stipulation, including, without limitation, any matters relating to awards of attorneys’ fees and expenses to Plaintiff’s Counsel. Each Party (i) consents to personal jurisdiction in any such action (but no other action) brought in the Court;
(ii) consents to service of process by registered mail upon such Party or such Party’s agent; and (iii) waives any objection to venue in the Court and any claim that Delaware or the Court is an inconvenient forum.

8.12. The construction and interpretation of this Stipulation shall be governed by and construed in accordance with the laws of the State of Delaware and without regard to the laws that might otherwise govern under principles of conflicts of law applicable hereto.

8.13. Without further order of the Court, the Parties hereto may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

8.14. The following exhibits are annexed hereto and incorporated herein by reference:

(a) Exhibit A: Scheduling Order With Respect to Notice and Settlement Hearing;
(b) Exhibit B: Notice of Pendency and Proposed Settlement of Action;
(c) Exhibit C: Summary Notice of Pendency and Proposed Settlement of Action; and
(d) Exhibit D: Final Order and Judgment.

IN WITNESS WHEREOF, IT IS HEREBY AGREED by the undersigned as of the date noted above.
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