

# Corporate Governance Guidelines

**Policy Effective Date:** June 2018

## Purpose

The following Corporate Governance Guidelines have been adopted by the Board of Directors (Board) of Wyndham Hotels & Resorts, Inc. (Company) to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management levels, with a view to enhancing long-term stockholder value. These Corporate Governance Guidelines are not intended to change or interpret any Federal or state law or regulation, including the Delaware General Corporation Law, the Certificate of Incorporation or By-laws of the Company. These Corporate Governance Guidelines are subject to modification from time to time by the approval of such modifications of at least the majority of the Board.

## Composition of Board

- **Size of Board.** The Board believes that it should generally have no fewer than three and no more than 15 members. The size of the Board could, however, be increased or decreased if determined to be appropriate by the Board. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for Director.
- **Independent Directors.** A majority of the Board will be comprised of Directors who meet the criteria for independence required by the New York Stock Exchange (NYSE). The Board will determine annually, based on all of the relevant facts and circumstances, whether each Director satisfies the criteria for independence and must disclose each of these determinations in its filings. The Board may adopt and disclose categorical standards to assist it in making such determinations and may make a general disclosure if a Director meets these standards. Any determination of independence for a Director who does not meet these standards, however, must be specifically explained.
- **Board Membership Criteria.** The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. The Corporate Governance Committee is responsible for evaluating director candidates and identifying those candidates who are qualified to be Board members, and based on such evaluation, recommending candidates to the Board for Board membership. This assessment will include an examination of whether the individual is independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board. When formulating its Board membership recommendations, the Corporate Governance Committee shall also consider advice and recommendations from others as it deems appropriate.
- **Director Nominations - Corporate Governance Committee.** The Corporate Governance Committee shall consider the appropriate balance of experience, skills and characteristics required of the Board when considering potential candidates to serve on the Board consistent with the requirements of the Charter of the Corporate Governance Committee. It shall seek to ensure that:
  - a majority of the Directors are independent under the rules of the NYSE and the Company's Director Independence Criteria (Independence Standards)

- all members of the Company's Audit Committee meet the financial literacy requirements under the rules of the NYSE and at least one of the members qualifies as an "Audit Committee financial expert" under the rules of the Securities and Exchange Commission (SEC)
- all members of the Audit Committee, Compensation Committee and Corporate Governance Committee meet the Independence Standards
- **Lead Director.** The independent members of the Board will select an independent Director to serve as Lead Director. It is generally expected that the same Director will serve as Lead Director for a minimum of two years. The Lead Director will act as a liaison with the Chairman of the Board (Chairman), in consultation with the other Directors, provided, that each Director will also be afforded direct and complete access to the Chairman at any time as such Director deems necessary or appropriate. Specific duties of the Lead Director include: chairing executive sessions of the non-management Directors and providing feedback from such sessions to the Chairman; chairing meetings of the Board in the absence of the Chairman; and reviewing in advance, in consultation with the Chairman, the schedule and agenda for all Board meetings as well as materials distributed to the Directors in connection with such meetings.
- **Director Service on other Public Company Boards.** The following provisions govern service by a Director on a board other than the Board:
  - **Conflicts of Interest.** Directors should advise the chair of the Corporate Governance Committee before accepting an invitation to serve on the board of another company. If the Corporate Governance Committee determines a conflict of interest exists by serving on the board of another company, the Director is expected to act in accordance with the Corporate Governance Committee's recommendation.
  - **Limitations on Service on Other Public Company Boards.** Directors who also serve as Chief Executive Officers or in an equivalent position should not serve on more than two boards of public companies in addition to the Board. Directors should not serve on more than four Boards of public companies in addition to the Board. Audit Committee members shall not serve on the Audit Committees of more than three public companies, including the Company. Management Directors will not be permitted to serve on any outside public company boards unless such service is at the request of the Company to serve a Company business purpose, or otherwise approved by a majority of the independent Directors. Exceptional candidates who do not meet all of these requirements may still be considered for service on the Board. Service on both the Boards of a public company and any of its public company affiliates shall qualify as one public company.
  - **Definition of Public Company.** For purposes of these Guidelines, the term "public company" shall mean a company with a class of securities registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (Exchange Act), or subject to the requirements of Section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940, as amended.
  - **Definition of Affiliate.** For purposes of these Guidelines, an "affiliate" of a public company is a person that directly or indirectly through one or more intermediaries' controls, is controlled by, or is under common control with such public company.

- **New Directors.** Nominees for Director will be identified, reviewed and recommended by the Corporate Governance Committee in accordance with the policies and principles in its charter. Nominees to the Board will be presented to the full Board for review and approval.
- **Director Terms.** The Board does not favor term limits for Directors but believes that it is important to monitor overall Board performance. Therefore, the Corporate Governance Committee shall review each Director's continuation on the Board annually. This will allow each Director the opportunity to confirm his or her desire to continue as a member of the Board, and also allow the Corporate Governance Committee an opportunity to review Director performance and suitability.
- **Resignation Policy – Management Directors.** Management Directors shall offer to resign from the Board upon their resignation, retirement or other cessation of employment with the Company. The Corporate Governance Committee has discretion as to whether or not it should accept a tendered resignation.
- **Resignation Policy – Majority Voting.** The Company's By-laws provide that any nominee for Director in an uncontested election (that is, an election where the number of candidates nominated for election as directors does not exceed the number of directors to be elected) who receives a greater number of votes "withheld" from his or her election than votes "for" such election (Majority Withheld Vote) shall promptly tender his or her resignation following certification of the stockholder vote.
  - The Corporate Governance Committee will promptly consider the tendered resignation and will recommend to the Board whether to accept the tendered resignation or to take some other action, such as rejecting the tendered resignation and addressing the apparent underlying causes of the "withheld" votes. In making this recommendation, the Corporate Governance Committee will consider all factors deemed relevant by its members including, without limitation, the underlying reasons why stockholders "withheld" votes for election from such Director (if ascertainable), the length of service and qualifications of the Director whose resignation has been tendered, the Director's contributions to the Company, whether by accepting such resignation the Company will no longer be in compliance with any applicable law, rule, regulation or governing document, and whether or not accepting the resignation is in the best interests of the Company and its stockholders.
  - The Board will act on the Corporate Governance Committee's recommendation no later than 120 days following the certification of the stockholder vote. In considering the Corporate Governance Committee's recommendation, the Board will consider the factors considered by the Committee and such additional information and factors the Board believes to be relevant. The Company will promptly publicly disclose the Board's decision in a periodic or current report filed with the SEC in accordance with the requirements of the Exchange Act.
  - Any Director who tenders his or her resignation pursuant to this provision will not participate in the Corporate Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. However, such Director shall remain active and engaged in all other Corporate Governance Committee and Board activities, deliberations and decisions during this Committee and Board process.

- If a majority of the members of the Corporate Governance Committee received a Majority Withheld Vote at the same election, then the independent Directors who are on the Board who did not receive a Majority Withheld Vote will appoint a Board committee amongst themselves solely for the purpose of considering the tendered resignations and will recommend to the Board whether to accept or reject them. Such Board committee may, but need not, consist of all of the independent Directors who did not receive a Majority Withheld Vote. If the only Directors who did not receive a Majority Withheld Vote in the same election constitute four or fewer Directors, then all such Directors may participate in the Board consideration regarding whether or not to accept the tendered resignations.
- **Directors Changing Their Employment.** Upon a change in a Director's business position including, without limitation, retirement from the position on which a Director's original nomination was based, the Director must notify the Corporate Governance Committee, which shall review the appropriateness of the Director remaining on the Board given the changed circumstances. While a change in position or retirement from a position does not mean that the Director will be required to resign from the Board, the Director is expected to act in accordance with the Corporate Governance Committee's recommendation following such review.

## Conduct

- **Directors' Duties.** The basic responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders.
  - In discharging their obligations, Directors should be entitled to rely on the honesty and integrity of the Company's officers, employees, outside advisors and independent auditors.
  - Directors are expected to attend Board meetings, meetings of committees on which they serve and meetings of stockholders absent exceptional cause, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.
  - Directors are expected to review meeting materials prior to Board, committee and stockholder meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address those questions or concerns.
  - Each Director's attendance at, and preparation for, Board meetings, stockholder meetings and meetings of committees on which they serve, shall be considered by the Corporate Governance Committee when recommending Director nominees.
- **Board Meetings.** The foregoing provisions shall govern the meetings of the Board:
  - **Selection of Agenda Items and Executive Sessions.** The Chairman, in consultation with the Chief Executive Officer of the Company and Lead Director, shall establish the agenda for Board meetings. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is also free to raise at any Board meeting subjects that are not on the agenda for that meeting.

The Board will meet at least three times a year, in executive session without any members of the Company's management, whether or not they are Directors, who may otherwise be present and at least twice per year, in executive session with only the independent Directors present. The Lead Director shall preside at all executive sessions and his or her name shall be disclosed in the annual proxy statement.

The annual proxy statement shall disclose how interested persons may communicate with the Lead Director or the non-management Directors as a group.

- **Distribution of Materials.** The Company shall distribute, sufficiently in advance of meetings to permit meaningful review, any written materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.
- **Attendance of Non-Directors.** The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to provide management insight into items being discussed by the Board which involve the manager; make presentations to the Board on relevant matters; and bring managers with significant potential into contact with the Board. Attendance of management personnel at Board meetings is at the discretion of the Board. Should the Chief Executive Officer desire to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its review and approval.
- **Number of Meetings.** The Board shall hold a minimum of four meetings per year. Regular Board meetings will generally be held in person, although Board members may participate by conference call under special circumstances. Special meetings may be held either in person or by conference call. The Board may also act by unanimous written or electronic consent.
- **Stock Ownership by Directors.** The Board encourages stock ownership by Directors and has required each non-employee Director to comply with the Company's Non-Employee Director Stock Ownership Guidelines.
  - At least 50% of a Director's compensation shall consist of Company stock or stock equivalents. Directors shall elect annually to defer until following the termination of service as a Director receipt of any or all of their compensation paid in Company stock or stock equivalents.
- **Director Compensation.** The Corporate Governance Committee, in accordance with the policies and principles set forth in its charter, will recommend the form and amount of Director compensation.
  - The Corporate Governance Committee will periodically review Directors' fees and other compensation, including how such compensation relates to Director compensation for companies of comparable size and complexity.
  - As part of such review, the Corporate Governance Committee also will consider the impact that excessive Director compensation could potentially have on Director independence.

- The Corporate Governance Committee's review will include an examination of both direct and indirect forms of compensation to the Company's Directors, including charitable contributions to organizations in which a Director is affiliated, and consulting or similar arrangements.
- Changes to Director compensation will be proposed by the Corporate Governance Committee to the Board for its consideration.
- **Assessing Board Performance.** The Board in conjunction with the Corporate Governance Committee will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively.
  - The Corporate Governance Committee will ask all Directors to comment as to the Board's performance and will report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year.
  - The Corporate Governance Committee will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.
- **Orientation for New Directors; Continuing Director Education.** New Directors shall review such material as is provided by the Company to become familiar with the Company, specifically including its existing operations and financial performance, strategic plans and businesses, financial plans, and the Wyndham Hotels Code of Business Conduct and Ethics for Directors. The Board recognizes the importance of continuing education for its Directors and is committed to provide such education in order to improve both Board and Committee performance.
- **Access to Officers and Employees.** Board members have complete and open access to the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Chief Audit Officer, General Counsel and Chief Compliance Officer. Board members who wish to have access to other members of management should coordinate such access through one of the foregoing.
- **Interaction with Third Parties.** The Board believes that management should speak for the Company and that the Chairman should speak for the Board.
  - It is suggested that each Director shall refer all inquiries from institutional investors, analysts, the press or customers to the Chief Executive Officer or his or her designee.
- **Board Resources.** The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.
- **Confidentiality.** The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidential and used solely in furtherance of the Company's business.

## Committees

- **Board Committees.** The Board will have at all times an Audit Committee, a Compensation Committee, a Corporate Governance Committee and Executive Committee. Each of the Audit Committee, the Compensation Committee and the Corporate Governance Committee will consist solely of independent Directors satisfying applicable legal, regulatory and NYSE requirements. Committee members will be appointed by the Board upon recommendation of the Corporate Governance Committee with consideration of the desires of individual Directors. The Board may, from time to time, establish or maintain additional committees as deemed necessary or appropriate.
  - **Committee Assignments and Chairs.** Committee assignments and the designation of committee chairs should be based on each Director's knowledge, interests and areas of expertise.
- **Committee Charters.** Each of the Audit Committee, the Compensation Committee and the Corporate Governance Committee shall have its own charter setting forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations, committee reporting to the Board and annual self-evaluations.

## Chief Executive Officer Evaluation and Services

- The Board shall review and approve Chief Executive Officer selection, perform a performance review of the Chief Executive Officer, and review succession planning for the Company's senior executives.
  - The Compensation Committee will conduct an annual review and approve performance objectives relevant to Chief Executive Officer compensation and set the Chief Executive Officer's compensation level based on the evaluation.

## Stockholder Access to the Board

- **Communications to the Board.** Stockholders and other parties interested in communicating directly with the Board, an individual non-management Director or the non-management Directors as a group may do so by writing the Corporate Secretary at Wyndham Hotels & Resorts, Inc., 22 Sylvan Way, Parsippany, New Jersey 07054. The Corporate Secretary will forward the correspondence only to the intended recipients. However, prior to forwarding any correspondence, the Corporate Secretary will review it and in his or her discretion will not forward correspondence deemed to be of a commercial nature or otherwise not appropriate for review by the Directors.
- **Stockholder Recommendations for Board Candidates.** Procedures regarding evaluation of stockholder recommendations for Board candidates shall be governed by the charter of the Corporate Governance Committee.