

Wyndham Hotels & Resorts, Inc.'s UK Tax Strategy

Accounting period ended 31 December 2018

In the UK, Schedule 19 of the Finance Act 2016 introduced an obligation for large businesses to publish their tax strategy with respect to UK taxation. This paper, while reflecting Wyndham Hotels and Resorts, Inc.'s ("Wyndham") global presence, was written to comply with this requirement by identifying the tax strategy adopted by each of its qualifying UK entities.

Wyndham's global structure means there are a number of UK entities and subgroups. This tax strategy applies to all UK incorporated and / or UK tax resident companies and UK permanent establishments. It has been approved by the Board of Directors (the "Boards") of each of the relevant companies (individually and collectively, the "Group") to allow them to comply with this requirement:

This tax strategy will be reviewed annually, updated as appropriate and approved by Boards of each of the relevant entities.

This tax strategy solely applies to 'UK taxation', as that term is defined in Paragraph 15 of Schedule 19 of the Finance Act 2016. Moreover, in this paper, all references to 'tax authority' or 'tax authorities' above should be considered applicable solely to HM Revenue & Customs.

Introduction

Wyndham is a leading global hotel franchisor, licensing its renowned hotel brands to hotel owners in more than 80 countries around the world. Our global portfolio of brands has a significant presence in many major hospitality markets in the United States, Europe and throughout the world, and is uniquely positioned to provide travellers access to a large assortment of travel accommodations and destinations. Our global portfolio of brands include: Wyndham Grand, Wyndham, Wyndham Garden, Ramada Worldwide, Days Inn, AmericInn, Baymont Inns & Suites, Super 8, Howard Johnson, Travelodge, Wingate by Wyndham, Microtel by Wyndham, TRYP by Wyndham, esplendor Boutique Hotels, Dazzler Hotels, TM Trademark Collection by Wyndham, Hawthorn Suites by Wyndham, Dolce Hotels and Resorts and La Quinta.

With such a global outlook and reach, our worldwide business activities generate a substantial amount and variety of taxes. In the UK, the Group pays corporate income taxes, employment taxes and other taxes. It also collects and pays employee taxes, withholding taxes and indirect taxes such as VAT in the UK.

Wyndham, including the Group, understands that collecting and paying UK tax is an important contribution to the economy and society in the United Kingdom. Wyndham is committed to complying with UK taxation laws.

Wyndham's aim is to pay the right amount of UK tax in the right place at the right time, having an open and constructive relationship with the UK taxation authorities.

Wyndham's commitment is underpinned by the following principles:

Attitude toward tax planning

In structuring the Group's commercial activities, Wyndham will consider – among other factors – UK tax laws with a view to maximising value on a sustainable basis for our shareholders. The Group engages in efficient, conservative, legally compliant tax planning for the Group that supports its business and reflects commercial and economic activity, taking into account the potential impact on Wyndham's reputation and broader goals.

The Group's UK tax planning aims to support the commercial needs of Group by ensuring that the Group's affairs are carried out in the most tax efficient manner whilst remaining compliant with all relevant laws. The tax function is, therefore, involved in support of the commercial decision making processes and provides appropriate input into business proposals of the Group to ensure a clear understanding of the tax consequences of any decisions made.

In cases where the tax guidance is unclear or the Group does not feel it has the necessary expert knowledge internally to assess the tax consequences adequately, external advice will be sought to support the Group's decision making process.

The Group does not engage in artificial or aggressive UK tax planning arrangements. The Group adheres to relevant UK tax law and seeks to minimize the risk of uncertainty or disputes with tax authorities. The Group conducts transactions between Group companies on an arm's-length basis and in accordance with current OECD principles.

Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities in order to support investment, employment and economic development. The Group seeks to apply tax incentives and exemptions in the UK, in support of the Group's commercial needs, if available and in the manner intended.

Relationships with governments and tax authorities

Wyndham, including the Group, seeks to build and sustain relationships with governments and tax authorities that are constructive and based on mutual respect. We engage with tax authorities with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. Wyndham, including the Group, is prepared to litigate where it disagrees with a ruling or decision of a tax authority, but always will seek to work collaboratively with tax authorities to resolve disputes and to achieve early agreement and certainty.

Tax risk management and attitude to tax risk

The Group proactively seeks to identify, evaluate, manage and monitor tax risk to ensure that they remain in line with the group's risk appetite. Where there is significant uncertainty or complexity in relation to a risk, external advice may be sought.

When reviewing the UK tax risks associated with a specific decision or action, the Group ensures that the following are considered:

- The legal and fiduciary duties of directors and employees.
- The requirements of any related internal policies or procedures.
- The maintenance of the Group's corporate reputation, having particular regard to the way we interact with the communities around us.

The Group does not set formal quantitative risk limits in relation to the UK tax risk that it assumes. Instead, the UK tax risk profile of the Group is kept under continuous review. That profile is projected based on known or expected risks and settlements to allow an informed assessment of UK tax risk, management of that risk and any actions that might need to be taken. That review process may result in decisions in relation to the type and level of UK tax planning that is to be undertaken, but as noted above, is not governed by formal limits. This profile is actively managed and its status is monitored.

Governance

The Global Tax Team is responsible for and implements our approach to tax which is approved by Wyndham's Board of Directors. The Global Tax Team is also responsible for ensuring that policies and procedures that support the approach are in place, maintained and used consistently around the world, and that they have the skills and experience to implement the approach appropriately.

The Global Tax Team includes tax specialists based in the United States and the United Kingdom who have responsibility for Wyndham's tax affairs in their region. Where Wyndham's presence in a country is not sufficient to support dedicate tax resource, external advisers are engaged to ensure compliance with local tax law and practice.

Entities covered by this strategy document

Wyndham Finance

Dolce Hotels Limited

WHG (Jersey) Limited

WHG (Jersey) I Limited

WHG (Jersey) II Limited

WHG (Ireland) Hotels Unlimited Company

Wyndham Hotel Group (UK) Limited

Wyndham Hotel Group (UK) East Limited

Wyndham Hotel Group Europe Limited

WHG Middle East Limited

Wyndham Hotels Asia Pacific Co Limited UK branch