Audit Committee Charter

Effective Date: June 2018 (last updated August 2021)

The Board of Directors (Board) of Wyndham Hotels & Resorts, Inc. (Company) has constituted and established an Audit Committee for the purpose of carrying out the authority and responsibilities described in this Audit Committee Charter.

A. Organization and Structure

The Audit Committee shall have the following organization and structure:

1. The Audit Committee shall consist of not less than three members.

2. Each member shall satisfy the independence requirements of the New York Stock Exchange (NYSE) and applicable law, including the rules and regulations promulgated by the Securities and Exchange Commission (SEC).

3. The members of the Audit Committee shall be appointed by the Board, upon the recommendation of the Corporate Governance Committee, and shall hold their offices until their successors are appointed and qualified, or until their earlier resignation or removal.

4. To ensure that each Audit Committee member can devote the appropriate time to his or her oversight role, each member is limited to serving simultaneously on the audit committees of no more than three public companies including the Company.

5. The Audit Committee will comply with the financial literacy and expertise requirements of the NYSE. In accordance with applicable law, the Board, upon the recommendation of the Corporate Governance Committee, will determine whether at least one member of the Audit Committee qualifies as an “audit committee financial expert” in compliance with criteria established by the SEC. The existence of such a member, including his or her name and whether or not he or she is independent, will be disclosed in periodic filings as required by the SEC.

6. The Board shall designate one of the members as Chair of the Audit Committee, and the Audit Committee shall keep a separate book of minutes of its proceedings and actions.

7. Vacancies on the Audit Committee shall be filled by the Board upon the recommendation of the Corporate Governance Committee. The members of the Audit Committee may be removed by the Board.

8. A majority of the members of the Audit Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum exists shall be the act of the Audit Committee.

9. The Audit Committee may act by the unanimous written consent of its members, which may include electronic consent.

10. The Audit Committee shall hold at least four quarterly meetings each year and such additional meetings as necessary to carry out its responsibilities and shall have the authority in its discretion...
to delegate its responsibilities to subcommittees consisting of one or more members subject to applicable law, regulation or NYSE listing requirement.

11. Periodically the Audit Committee shall meet separately with the Company’s management, including the Company’s General Counsel, members of the Company’s Audit Services staff and the Company’s independent registered public accounting firm (Independent Auditor).

12. Each member of the Audit Committee is free to suggest the inclusion of items on any meeting agenda of the Audit Committee and may also raise at any meeting any subjects that are not on the agenda for that meeting.

13. The Audit Committee shall report regularly to the Board regarding the execution of its duties and responsibilities including any recommendations to the Board approved by the Audit Committee.

B. Authority and Responsibilities

The Audit Committee shall have the following authority and responsibilities:

1. Independent Auditor

a. Appoint, compensate and oversee the work performed by the Independent Auditor or any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work.

b. The Independent Auditor shall report directly to the Audit Committee and the Audit Committee shall oversee the resolution of disagreements between management and the Independent Auditor in the event that they arise.

c. Adopt and ensure compliance with a pre-approval policy with respect to services provided by the Independent Auditor.

d. Review and in its sole discretion approve in advance the services and terms of all audits and all permitted non-audit services and relationships between the Company and the Independent Auditor as required by applicable law (Rule 2-01(c) of Regulation S-X). Approval of audit and permitted non-audit services may also be made by one or more members of the Audit Committee as shall be designated by the Audit Committee or the chairperson of the Audit Committee, provided that such designee reports his or her approval to the Audit Committee at the next scheduled meeting.

e. At least annually obtain and review a report by the Independent Auditor describing all relationships between the Independent Auditor and the Company consistent with the applicable requirements of the Public Company Accounting Oversight Board (PCAOB); issues raised by the most recent internal quality control review or peer review, or by any inquiry or investigation conducted by governmental or professional authorities within the five preceding years, respecting one or more independent audits carried out by the Independent Auditor and any steps taken to address such issues; and the Independent Auditor’s internal quality-control procedures.

f. Discuss the foregoing report by the Independent Auditor to the extent it discloses any issues, relationships or services that may impact the performance, objectivity or independence of the Independent Auditor and take, or recommend that the full Board take, appropriate actions to oversee the independence of the Independent Auditor.
g. At least annually evaluate, with the assistance of the Company’s management, the qualifications, performance and independence of the Independent Auditor, including the lead partner of the Independent Auditor and, if so determined by the Audit Committee, terminate the Company’s engagement of the Independent Auditor. Ensure that partner rotation practices are in compliance with applicable law including all SEC rules and regulations. The Audit Committee should present its conclusions regarding the Independent Auditor and the lead partner to the Board.

h. Establish clear hiring policies, compliant with governing laws or regulations, for employees or former employees of the Independent Auditor.

2. Financial Reporting, Accounting Policies and Internal Controls

a. Provide oversight on the integrity of the Company’s financial statements, accounting and financial reporting processes and financial statement audits. Meet to review and discuss with the Company’s management and Independent Auditor the Company’s periodic filings with the SEC including the annual audited and quarterly financial statements, Management’s Discussion and Analysis of Financial Condition and Results of Operations and management certifications. Review other relevant reports or financial information submitted by the Company to any governmental body or the public.

b. In consultation with the Independent Auditor and the Audit Services function, review the integrity of the Company’s internal and external financial reporting processes.

c. Provide oversight on the Company’s systems of disclosure controls and procedures and internal controls over financial reporting. Review with management periodically the adequacy and effectiveness of the Company’s disclosure controls and procedures and the Company’s internal control over financial reporting including any significant deficiencies and significant changes in internal controls.

d. Review any disclosure from the Company’s Chief Executive Officer or Chief Financial Officer made in connection with the certification of the Company’s annual and quarterly reports filed with the SEC and management’s report and the Independent Auditor’s attestation related to the effectiveness of internal control over financial reporting. Discuss with management and the Independent Auditor:

i. 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 Company’s ability to record, process, summarize and report financial data; and

ii. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal controls.

e. Review the Company’s earnings press releases including adjusted financial information and earnings guidance reconciled to generally accepted accounting principles (GAAP). This review may be done generally through a discussion of the types of information to be disclosed and presentations to be made and the Audit Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

f. Review analyses setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements including analyses of the effects of alternative GAAP methods on the financial statements.
g. Review issues regarding the Company’s significant accounting principles and financial statement presentations and any changes in the selection or application of accounting principles; significant issues, including any significant deficiencies or material weaknesses, regarding the adequacy of the Company’s internal controls; and any special audit steps adopted in light of significant control deficiencies. Consider the impact of acceptable alternative accounting principles that are communicated by the Independent Auditor, audit services or the Company’s management.

h. Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

i. Review and provide oversight on the Company’s processes with respect to risk assessment and risk management, including the Company’s significant financial risk exposures and the steps management has undertaken to monitor and control them.

j. Review and provide oversight with respect to the Company’s processes to monitor, assess and manage information technology, cybersecurity and data privacy risks.

k. Consider the risk of management’s ability to override the Company’s internal controls.

l. Make a recommendation to the Board as to the inclusion of the Company’s audited financial statements in the Company’s Annual Report on Form 10-K.

m. Submit the Audit Committee report required by the rules of the SEC to be included in the Company’s annual proxy statement.

n. Review with management the Company’s finance function, including its budget, organization and quality of personnel.

3. Audit Process of the Independent Auditor

a. Meet with the Independent Auditor prior to the commencement of the audit to review the scope, planning and staffing of the audit.

b. Discuss with the Independent Auditor the matters required to be discussed under PCAOB Auditing Standard No. 16, or any amendment or successor to such standard, and any other matters required to be communicated to the Audit Committee by the Independent Auditor under auditing standards established from time to time by the PCAOB or SEC rules or regulations. Review with the Independent Auditor any problems or difficulties and management’s response and hold timely discussions with the Independent Auditor regarding the following:

i. all critical accounting policies and practices;

ii. all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the Independent Auditor; and

iii. other material written communications between the Independent Auditor and management including but not limited to the management letter and schedule of unadjusted differences.
c. Review and discuss with the Independent Auditor the Independent Auditor’s evaluation of the Company’s identification of, accounting for and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company’s relationships and transactions with related parties.

4. Audit Services Function

a. Review and advise on the appointment and replacement of the Company’s senior audit executive, the adequacy and qualifications of the Audit Services staff and the responsibilities, organization structure and budget of the Audit Services function.

b. Review periodically with the Independent Auditor the budget, staffing and responsibilities of the Audit Services function.

c. Bi-annually review and recommend changes if any, to the Audit Services charter.

d. Review any significant reports or related summaries provided to the Company’s management by the Audit Services staff and related responses of the Company’s management.

e. Periodically review with the Company’s senior audit executive any significant difficulties, disagreements with management or scope restrictions encountered in the course of the Audit Services function’s work.

5. Legal, Compliance and Ethical Conduct Matters

a. Provide oversight on the Company’s compliance with regulatory requirements. Review with the Company’s General Counsel and management legal compliance and regulatory matters that may have a significant impact on the Company’s financial statements, the Company’s compliance with applicable law, rules and regulations and any significant reports or inquiries received from regulators or governmental agencies.

b. Provide oversight with respect to the Company’s compliance program and policies and compliance with ethical standards adopted by the Company and review periodically (i) the Company’s Business Principles and Code of Business Conduct and Ethics for Directors and approve any changes deemed appropriate and (ii) management’s systems to monitor compliance with and enforce these codes.

c. Establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

d. Establish and provide oversight on procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

e. Review and provide oversight on the Company’s Related Person Transaction Policy.

f. Review and preapprove related person transactions in compliance with the Company’s Related Person Transaction Policy.

6. Evaluation

a. On an annual basis evaluate and discuss the Audit Committee’s performance relative to its purpose, duties and responsibilities as described by this Charter.
b. The Audit Committee shall review and assess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.

c. Perform any other activities consistent with this Charter, the Company’s organizational documents and governing laws that the Board or Audit Committee determines are necessary or appropriate.

7. Scope of Responsibility

While the Audit Committee has the authority and responsibilities set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements are materially accurate and in accordance with GAAP.

8. Resources

The Audit Committee shall have access to all resources necessary to carry out the authority and responsibilities described in the Audit Committee Charter as follows:

a. The Audit Committee, in its sole discretion and at the Company’s expense, shall have the authority to retain, compensate and terminate legal, accounting or other advisors, independent of management and without having to seek the approval of the Board, to advise the Audit Committee and assist it in fulfilling its duties and responsibilities.

b. In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the Independent Auditor.

c. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the Independent Auditor and any advisors retained by the Audit Committee and the ordinary administrative expenses of the Audit Committee.

d. The Audit Committee may request any officer or employee of the Company, or the Company’s outside counsel or Independent Auditor, or its advisors, to attend a meeting of the Audit Committee or to meet with any members of, or advisors to, the Audit Committee.