

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2024
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 001-32876

TRAVEL + LEISURE CO.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)
6277 Sea Harbor Drive
Orlando, Florida
(Address of Principal Executive Offices)

20-0052541
(I.R.S. Employer
Identification No.)
32821
(Zip Code)

(407) 626-5200
(Registrant's Telephone Number, Including Area Code)

None
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	TNL	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
71,263,534 shares of common stock outstanding as of March 31, 2024.

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GLOSSARY OF TERMS

The following terms and acronyms appear in the text of this report and have the definitions indicated below:

A non-GAAP measure, defined by the Company as net income from continuing operations before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, legacy items, transaction costs for acquisitions and divestitures, asset impairments/recoveries, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels & Resorts, Inc. and Cendant, and the sale of the vacation rentals businesses.

Accumulated Other Comprehensive Loss

Australian Dollar

Awaze Limited, formerly Compass IV Limited, an affiliate of Platinum Equity, LLC

Travel + Leisure Co. and its subsidiaries

Earnings Per Share

Financial Accounting Standards Board

Generally Accepted Accounting Principles in the United States

London Interbank Offered Rate

Non-Qualified stock options

New Zealand Dollar

Performance-vested restricted Stock Units

Restricted Stock Unit

Securities and Exchange Commission

Secured Overnight Financing Rate

Special Purpose Entity

Spin-off of Wyndham Hotels & Resorts, Inc.

Travel + Leisure Co. and its subsidiaries

Vacasa LLC

Variable Interest Entity

Vacation Ownership Contract Receivable

Vacation Ownership Interest

Volume Per Guest

Wyndham Hotels & Resorts, Inc.

PART I — FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Travel + Leisure Co.

Results of Review of Interim Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of Travel + Leisure Co. and subsidiaries (the "Company") as of March 31, 2024, the related condensed consolidated statements of income, comprehensive income and deficit for the three-month periods ended March 31, 2024 and 2023, and of cash flows for the three-month periods ended March 31, 2024 and 2023, and the related notes (collectively referred to as the "interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2023, and the related consolidated statements of income, comprehensive income, cash flows and deficit for the year then ended (not presented herein); and in our report dated February 21, 2024, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

The interim financial statements are the responsibility of the Company's management. 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 reviews in accordance with standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP
Tampa, FL
April 24, 2024

TRAVEL + LEISURE CO.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Net revenues		
Service and membership fees	\$ 419	\$ 420
Vacation ownership interest sales	369	338
Consumer financing	110	103
Other	18	18
Net revenues	916	879
Expenses		
Operating	438	420
Cost of vacation ownership interests	34	30
Consumer financing interest	33	25
Marketing	121	112
General and administrative	112	124
Depreciation and amortization	28	28
Total expenses	766	739
Loss on sale of business	—	2
Operating income	150	138
Interest expense	64	58
Other (income), net	(2)	(2)
Interest (income)	(4)	(3)
Income before income taxes	92	85
Provision for income taxes	26	22
Net income from continuing operations	66	63
Gain on disposal of discontinued business, net of income taxes	—	1
Net income attributable to Travel + Leisure Co. shareholders	\$ 66	\$ 64
Basic earnings per share		
Continuing operations	\$ 0.93	\$ 0.81
Discontinued operations	—	0.01
	\$ 0.93	\$ 0.82
Diluted earnings per share		
Continuing operations	\$ 0.92	\$ 0.81
Discontinued operations	—	—
	\$ 0.92	\$ 0.81

See Notes to Condensed Consolidated Financial Statements.

TRAVEL + LEISURE CO.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended	
	March 31,	
	2024	2023
Net income attributable to Travel + Leisure Co. shareholders	\$ 66	\$ 64
Foreign currency translation adjustments, net of tax	(15)	(2)
Other comprehensive loss, net of tax	(15)	(2)
Comprehensive income attributable to Travel + Leisure Co. shareholders	\$ 51	\$ 62

See Notes to Condensed Consolidated Financial Statements.

TRAVEL + LEISURE CO.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share data)
(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 479	\$ 282
Restricted cash (VIE - \$105 as of 2024 and \$96 as of 2023)	168	176
Trade receivables, net	187	179
Vacation ownership contract receivables, net (VIE - \$2,222 as of 2024 and \$2,291 as of 2023)	2,535	2,527
Inventory	1,187	1,135
Prepaid expenses	269	229
Property and equipment, net	614	655
Goodwill	993	962
Other intangibles, net	197	199
Other assets	394	394
Total assets	\$ 7,023	\$ 6,738
Liabilities and (deficit)		
Accounts payable	\$ 65	\$ 73
Accrued expenses and other liabilities	798	807
Deferred income	452	442
Non-recourse vacation ownership debt (VIE)	2,057	2,071
Debt	3,867	3,575
Deferred income taxes	709	687
Total liabilities	7,948	7,655
Commitments and contingencies (Note 16)		
Stockholders' (deficit):		
Preferred stock, \$0.01 par value, authorized 6,000,000 shares, none issued and outstanding	—	—
Common stock, \$0.01 par value, 600,000,000 shares authorized, 224,227,808 issued as of 2024 and 223,767,468 as of 2023	2	2
Treasury stock, at cost – 152,961,108 shares as of 2024 and 152,336,714 shares as of 2023	(7,221)	(7,196)
Additional paid-in capital	4,281	4,279
Retained earnings	2,097	2,067
Accumulated other comprehensive loss	(85)	(70)
Total stockholders' (deficit)	(926)	(918)
Noncontrolling interest	1	1
Total (deficit)	(925)	(917)
Total liabilities and (deficit)	\$ 7,023	\$ 6,738

See Notes to Condensed Consolidated Financial Statements.

TRAVEL + LEISURE CO.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Operating activities		
Net income	\$ 66	\$ 64
Gain on disposal of discontinued business, net of income taxes	—	(1)
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	78	71
Depreciation and amortization	28	28
Deferred income taxes	22	33
Stock-based compensation	9	10
Non-cash interest	7	5
Non-cash lease expense	4	4
Loss on sale of business	—	2
Other, net	1	6
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:		
Trade receivables	(3)	3
Vacation ownership contract receivables	(93)	(82)
Inventory	(2)	(6)
Prepaid expenses	(40)	(51)
Other assets	(8)	(19)
Accounts payable, accrued expenses, and other liabilities	(30)	(75)
Deferred income	8	15
Net cash provided by operating activities	47	7
Investing activities		
Acquisitions, net of cash acquired	(40)	(6)
Property and equipment additions	(17)	(12)
Other, net	—	1
Net cash used in investing activities	(57)	(17)
Financing activities		
Proceeds from non-recourse vacation ownership debt	431	273
Principal payments on non-recourse vacation ownership debt	(439)	(276)
Proceeds from debt	506	478
Principal payments on debt	(216)	(267)
Repayment of notes	(2)	(402)
Repayments of vacation ownership inventory arrangement	—	(6)
Debt issuance/modification costs	(5)	—
Net share settlement of incentive equity awards	(9)	(5)
Repurchase of common stock	(25)	(101)
Dividends to shareholders	(38)	(37)
Net cash provided by/(used in) financing activities	203	(343)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(4)	(1)
Net change in cash, cash equivalents and restricted cash	189	(354)
Cash, cash equivalents and restricted cash, beginning of period	458	688
Cash, cash equivalents and restricted cash, end of period	647	334
Less: Restricted cash	168	138
Cash and cash equivalents	<u>\$ 479</u>	<u>\$ 196</u>

See Notes to Condensed Consolidated Financial Statements.

TRAVEL + LEISURE CO.
CONDENSED CONSOLIDATED STATEMENTS OF DEFICIT
(In millions)
(Unaudited)

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Deficit
Balance as of December 31, 2023	71.4	\$ 2	\$ (7,196)	\$ 4,279	\$ 2,067	\$ (70)	\$ 1	\$ (917)
Net income	—	—	—	—	66	—	—	66
Other comprehensive loss	—	—	—	—	—	(15)	—	(15)
Issuance of shares for RSU/PSU vesting	0.5	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(9)	—	—	—	(9)
Change in stock-based compensation	—	—	—	9	—	—	—	9
Repurchase of common stock	(0.6)	—	(25)	—	—	—	—	(25)
Dividends (\$0.50 per share)	—	—	—	—	(36)	—	—	(36)
Other	—	—	—	2	—	—	—	2
Balance as of March 31, 2024	<u>71.3</u>	<u>\$ 2</u>	<u>\$ (7,221)</u>	<u>\$ 4,281</u>	<u>\$ 2,097</u>	<u>\$ (85)</u>	<u>\$ 1</u>	<u>\$ (925)</u>
	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Deficit
Balance as of December 31, 2022	78.4	\$ 2	\$ (6,886)	\$ 4,242	\$ 1,808	\$ (79)	\$ 9	\$ (904)
Net income	—	—	—	—	64	—	—	64
Other comprehensive loss	—	—	—	—	—	(2)	—	(2)
Issuance of shares for RSU vesting	0.3	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(5)	—	—	—	(5)
Change in stock-based compensation	—	—	—	10	—	—	—	10
Repurchase of common stock	(2.5)	—	(102)	—	—	—	—	(102)
Dividends (\$0.45 per share)	—	—	—	—	(36)	—	—	(36)
Balance as of March 31, 2023	<u>76.2</u>	<u>\$ 2</u>	<u>\$ (6,988)</u>	<u>\$ 4,247</u>	<u>\$ 1,836</u>	<u>\$ (81)</u>	<u>\$ 9</u>	<u>\$ (975)</u>

See Notes to Condensed Consolidated Financial Statements.

TRAVEL + LEISURE CO.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except share and per share amounts)
(Unaudited)

1. Background and Basis of Presentation

Background

Travel + Leisure Co. and its subsidiaries (collectively, “Travel + Leisure Co.,” or the “Company”) is a global provider of hospitality services and travel products. The Company has two reportable segments: Vacation Ownership and Travel and Membership.

The Vacation Ownership segment develops, markets, and sells vacation ownership interests (“VOIs”) to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts. This segment includes the Wyndham Destinations business line.

The Travel and Membership segment operates a variety of travel businesses, including vacation exchange brands, travel technology platforms, travel memberships, and direct-to-consumer rentals. This segment is comprised of the Exchange and Travel Club business lines.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q include the accounts and transactions of Travel + Leisure Co., as well as the entities in which Travel + Leisure Co. directly or indirectly has a controlling financial interest. The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). All intercompany balances and transactions have been eliminated in the Condensed Consolidated Financial Statements.

The Company presents an unclassified balance sheet which conforms to that of the Company’s peers and industry practice.

In presenting the Condensed Consolidated Financial Statements, management makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates and assumptions. In management’s opinion, the Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of interim results reported. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company’s 2023 Consolidated Financial Statements included in its Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 21, 2024.

2. New Accounting Pronouncements

Recently Issued Accounting Pronouncements

Business Combinations—Joint Venture Formations. In August 2023, the Financial Accounting Standards Board (“FASB”) issued guidance to address the accounting for contributions made to a joint venture, upon formation, in a joint venture’s separate financial statements. The guidance was issued in an effort to reduce diversity in practice and requires a joint venture to initially measure its assets and liabilities at fair value on the formation date. This guidance is effective prospectively for all joint ventures within the scope of the standard that are formed on or after January 1, 2025. Existing joint ventures have the option to apply the guidance retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Disclosure improvements. In October 2023, the FASB issued guidance to modify the disclosure and presentation requirements of a variety of topics in the codification. Among other updates, amendments specific to the Company include updates to disclosure requirements related to derivative instruments, diluted earnings per share, commitments, and amounts and terms of unused lines of credit. The effective date for each amendment will be the date on which the SEC’s removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Segment Reporting. In November 2023, the FASB issued guidance to enhance segment disclosures by requiring incremental segment information on an annual and interim basis for all public entities. Among other provisions, this guidance will require public entities to disclose significant segment expenses that are regularly provided to the chief

operating decision maker (“CODM”) and included within each reported measure of segment profit or loss. This guidance is effective for all public entities for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Improvements to Income Tax Disclosures. In December 2023, the FASB issued guidance to enhance the transparency and decision usefulness of income tax disclosures through improvements in rate reconciliation and income taxes paid information. Among other provisions, this guidance requires public entities to disclose specific categories in the rate reconciliation, using both percentages and reporting currency amounts; and present cash taxes paid on a disaggregated basis. This guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

3. Revenue Recognition

Vacation Ownership

The Company develops, markets, and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts. The Company’s sales of VOIs are either cash sales or developer-financed sales. Developer-financed sales are typically collateralized by the underlying VOI. Revenue is recognized on VOI sales upon transfer of control, which is defined as the point in time when a binding sales contract has been executed, the financing contract has been executed for the remaining transaction price, the statutory rescission period has expired, and the transaction price has been deemed to be collectible.

For developer-financed sales, the Company reduces the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. The Company’s estimates of uncollectible amounts are based largely on the results of the Company’s static pool analysis which relies on historical payment data by customer class.

In connection with entering into a VOI sale, the Company may provide its customers with certain non-cash incentives, such as credits for future stays at its resorts. For those VOI sales, the Company allocates the sales price between the VOI sale and the non-cash incentive based upon the relative standalone selling price of the performance obligations within the contract. Non-cash incentives generally have expiration periods of two years or less and are recognized at a point in time upon transfer of control.

The Company provides day-to-day property management services including oversight of housekeeping services, maintenance, and certain accounting and administrative services for property owners’ associations and clubs. These services may also include reservation and resort renovation activities. Such agreements are generally for terms of one year or less and are renewed automatically on an annual basis. The Company’s management agreements contain cancellation clauses, which allow for either party to cancel the agreement, by either a majority board vote or a majority vote of non-developer interests. The Company receives fees for such property management services which are collected monthly in advance and are based upon total costs to operate such resorts (or as services are provided in the case of resort renovation activities). Fees for property management services typically approximate 10% of budgeted operating expenses. The Company is entitled to consideration for reimbursement of costs incurred on behalf of the property owners’ association in providing management services (“reimbursable revenue”). These reimbursable costs principally relate to the payroll costs for management of the associations, club and resort properties where the Company is the employer and are reflected as a component of Operating expenses on the Condensed Consolidated Statements of Income. The Company reduces its management fee revenue for amounts it has paid to the property owners’ association that reflect maintenance fees for VOIs for which it retains ownership, as the Company has concluded that such payments are consideration payable to a customer.

Property management fee revenues and reimbursable revenues are recognized when the services are performed and are recorded as a component of Service and membership fees on the Condensed Consolidated Statements of Income. Property management fee and reimbursable revenues were (in millions):

	Three Months Ended	
	March 31,	
	2024	2023
Management fee revenues	\$ 113	\$ 107
Reimbursable revenues	98	92
Property management fees and reimbursable revenues	\$ 211	\$ 199

One of the associations that the Company manages paid its Travel and Membership segment \$9 million and \$8 million for exchange services during the three months ended March 31, 2024 and 2023.

Travel and Membership

Travel and Membership derives a majority of its revenues from membership dues and fees for facilitating members' trading of their timeshare intervals. Revenues from membership dues represent the fees paid by members or affiliated clubs on their behalf. As a provider of vacation exchange services, the Company enters into affiliation agreements with developers of vacation ownership properties to allow owners of VOIs to trade their intervals for intervals at other properties affiliated with the Company's vacation exchange network and, for some members, for other leisure-related services and products. The Company recognizes revenues from membership dues paid by the member on a straight-line basis over the membership period as the performance obligations are fulfilled through delivery of publications, if applicable, and by providing access to travel-related products and services. Estimated net contract consideration payable by affiliated clubs for memberships is recognized as revenue over the term of the contract with the affiliated club in proportion to the estimated average monthly member count. Such estimates are adjusted periodically for changes in actual and forecasted member activity. For additional fees, members have the right to exchange their intervals for intervals at other properties affiliated with the Company's vacation exchange networks and, for certain members, for other leisure-related services and products. The Company also derives revenue from facilitating bookings of travel accommodations that were acquired from various sources. Revenue is recognized when these transactions have been confirmed, net of expected cancellations.

The Company's vacation exchange business also derives revenues from programs with affiliated resorts, club servicing, and loyalty programs; and additional exchange-related products that provide members with the ability to protect trading power or points, extend the life of deposits, and combine two or more deposits for the opportunity to exchange into intervals with higher trading power. Revenues from other vacation exchange related product fees are deferred and recognized upon the occurrence of a future exchange, event, or other related transaction.

The Company earns revenue from its RCI Elite Rewards co-branded credit card program, which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the program are recognized as a contract liability until the Company's performance obligations have been satisfied. The primary performance obligation for the program relates to brand performance services. Total contract consideration is estimated and recognized on a straight-line basis over the contract term.

Other Items

The Company records property management service revenues for its Vacation Ownership segment and RCI Elite Rewards revenues for its Travel and Membership segment gross as a principal.

Contract Liabilities

Contract liabilities generally represent payments or consideration received in advance for goods or services that the Company has not yet transferred to the customer. Contract liabilities consisted of (in millions):

	March 31, 2024	December 31, 2023
Deferred subscription revenue	\$ 164	\$ 161
Deferred VOI trial package revenue	133	136
Deferred VOI incentive revenue	82	81
Deferred exchange-related revenue ^(a)	62	59
Deferred co-branded credit card programs revenue	5	6
Deferred other revenue	8	1
Total	\$ 454	\$ 444

^(a) Includes contractual liabilities to accommodate members for cancellations due to unexpected events. These amounts are included within Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

In the Company's Vacation Ownership business, deferred VOI trial package revenue represents consideration received in advance for a trial VOI, which allows customers to utilize a vacation package typically within three years of purchase, but may extend longer for certain programs. Deferred VOI incentive revenue represents payments received in advance for additional travel-related services and products at the time of a VOI sale. Revenue is recognized when a customer utilizes the additional services and products, which is typically within two years of the VOI sale, but may extend longer for certain programs.

Within the Company's Travel and Membership business, deferred subscription revenue represents billings and payments received in advance from members and affiliated clubs for memberships in the Company's travel programs which are recognized in future periods. Deferred exchange-related revenue primarily represents payments received in advance from members to book vacation exchanges which are recognized upon the future confirmed transaction. Deferred revenue also includes other leisure-related service and product revenues which are recognized as customers utilize the associated benefits.

Changes in contract liabilities for the periods presented were as follows (in millions):

	Three Months Ended March 31,	
	2024	2023
Beginning balance	\$ 444	\$ 400
Additions	95	90
Revenue recognized	(85)	(71)
Ending balance	<u>\$ 454</u>	<u>\$ 419</u>

Capitalized Contract Costs

The Vacation Ownership segment incurs certain direct and incremental selling costs in connection with VOI trial package and incentive revenues. Such costs are capitalized and subsequently recognized over the utilization period when usage or expiration occurs, which is typically within three years from the date of sale. As of both March 31, 2024 and December 31, 2023, these capitalized costs were \$46 million and are included within Other assets on the Condensed Consolidated Balance Sheets.

The Travel and Membership segment incurs certain direct and incremental selling costs to obtain contracts with customers in connection with subscription revenues and exchange-related revenues. Such costs, which are primarily comprised of commissions paid to internal and external parties and credit card processing fees, are deferred at the inception of the contract and recognized when the benefit is transferred to the customer. As of March 31, 2024, the capitalized costs were \$17 million, of which \$11 million was included in Prepaid expenses and \$6 million was included in Other assets on the Condensed Consolidated Balance Sheets. As of December 31, 2023, these capitalized costs were \$16 million, of which \$11 million was included in Prepaid expenses and \$5 million was included in Other assets on the Condensed Consolidated Balance Sheets.

Practical Expedients

The Company has not adjusted the consideration for the effects of a significant financing component if it expected, at contract inception, that the period between when the Company will satisfy the performance obligation and when the customer will pay for that good or service will be one year or less.

Performance Obligations

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service to the customer. The consideration received from a customer is allocated to each distinct performance obligation and recognized as revenue when, or as, each performance obligation is satisfied.

The following table summarizes the Company's remaining performance obligations for the 12-month periods set forth below (in millions):

	4/1/2024 - 3/31/2025	4/1/2025 - 3/31/2026	4/1/2026 - 3/31/2027	Thereafter	Total
Subscription revenue	\$ 94	\$ 36	\$ 16	\$ 18	\$ 164
VOI trial package revenue	124	3	3	3	133
VOI incentive revenue	82	—	—	—	82
Exchange-related revenue	59	2	1	—	62
Co-branded credit card programs revenue	3	2	—	—	5
Other revenue	8	—	—	—	8
Total	<u>\$ 370</u>	<u>\$ 43</u>	<u>\$ 20</u>	<u>\$ 21</u>	<u>\$ 454</u>

Disaggregation of Net Revenues

The table below presents a disaggregation of the Company's net revenues from contracts with customers by major services and products for each of the Company's segments (in millions):

	Three Months Ended March 31,	
	2024	2023
Vacation Ownership		
Vacation ownership interest sales	\$ 369	\$ 338
Property management fees and reimbursable revenues	211	199
Consumer financing	110	103
Fee-for-Service commissions	18	27
Ancillary revenues	17	18
Total Vacation Ownership	725	685
Travel and Membership		
Transaction revenues	140	147
Subscription revenues	45	45
Ancillary revenues	8	8
Total Travel and Membership	193	200
Corporate and other		
Ancillary revenues	1	—
Eliminations	(3)	(6)
Total Corporate and other	(2)	(6)
Net revenues	\$ 916	\$ 879

4. Earnings Per Share

The computations of basic and diluted earnings per share (“EPS”) are based on Net income attributable to Travel + Leisure Co. shareholders divided by the basic weighted average number of common shares and diluted weighted average number of common shares outstanding. The following table sets forth the computations of basic and diluted EPS (in millions, except per share data):

	Three Months Ended March 31,	
	2024	2023
Net income from continuing operations attributable to Travel + Leisure Co. shareholders	\$ 66	\$ 63
Gain on disposal of discontinued business attributable to Travel + Leisure Co. shareholders, net of income taxes	—	1
Net income attributable to Travel + Leisure Co. shareholders	<u>\$ 66</u>	<u>\$ 64</u>
<i>Basic earnings per share^(a)</i>		
Continuing operations	\$ 0.93	\$ 0.81
Discontinued operations	—	0.01
	<u>\$ 0.93</u>	<u>\$ 0.82</u>
<i>Diluted earnings per share^(a)</i>		
Continuing operations	\$ 0.92	\$ 0.81
Discontinued operations	—	—
	<u>\$ 0.92</u>	<u>\$ 0.81</u>
Basic weighted average shares outstanding	71.5	77.5
RSUs, ^(b) PSUs ^(c) and NQs ^(d)	0.5	0.8
Diluted weighted average shares outstanding ^(e)	<u>72.0</u>	<u>78.3</u>
<i>Dividends:</i>		
Aggregate dividends paid to shareholders ^(f)	\$ 38	\$ 37

^(a) Earnings per share amounts are calculated using whole numbers.

^(b) Excludes 0.5 million and 1.0 million of restricted stock units (“RSUs”) that would have been anti-dilutive to EPS for the three months ended March 31, 2024 and 2023. These shares could potentially dilute EPS in the future.

^(c) Excludes performance-vested restricted stock units (“PSUs”) of 0.9 million for both the three months ended March 31, 2024 and 2023, as the Company has not met the required performance metrics. These PSUs could potentially dilute EPS in the future.

^(d) Excludes 1.7 million and 2.3 million of outstanding non-qualified stock options (“NQs”) that would have been anti-dilutive to EPS for the three months ended March 31, 2024 and 2023. These outstanding NQs could potentially dilute EPS in the future.

^(e) The dilutive impact of the Company’s potential common stock is computed utilizing the treasury stock method using average market prices during the period.

^(f) The Company paid cash dividends of \$ 0.50 per share during the three months ended March 31, 2024 and \$ 0.45 per share during the three months ended March 31, 2023.

Share Repurchase Program

The following table summarizes stock repurchase activity under the current share repurchase program (in millions):

	Shares	Cost
As of December 31, 2023	127.8	\$ 6,411
Repurchases	0.6	25
As of March 31, 2024	<u>128.4</u>	<u>\$ 6,436</u>

Since the inception of the Company's share repurchase program in August 2007 proceeds received from stock option exercises have increased the repurchase capacity by \$1 million. As of March 31, 2024, the Company had \$146 million of remaining availability under the program.

The Company had \$3 million of excise tax related to share repurchases accrued as of March 31, 2024 and December 31, 2023, included within Treasury stock on the Condensed Consolidated Balance Sheets.

5. Acquisitions

Accor Vacation Club. On March 1, 2024, the Company acquired the vacation ownership business of Accor for \$50 million (\$44 million net of cash acquired) subject to customary post-closing adjustments based on final valuation information and additional analysis. The fair value of purchase consideration was comprised of \$40 million net cash paid at closing, and \$4 million to be paid in April 2024. The acquisition creates a new line of business for Travel + Leisure Co. as Accor Vacation Club adds to the Company's portfolio of brand affiliations and expands its international portfolio in the Asia Pacific region. Accor will receive a percentage of the associated vacation ownership sales revenue as a licensing fee under a licensing agreement.

This transaction was accounted for as a business acquisition. As of March 31, 2024, the Company has recognized the assets and liabilities of Accor Vacation Club based on estimates of their acquisition date fair values. The determination of the fair values of the acquired assets and assumed liabilities, including goodwill and other intangible assets, requires significant judgment. The preliminary purchase price allocations resulted in the recognition of: (i) \$32 million of Goodwill, none of which is expected to be deductible for Australian income tax purposes; (ii) \$8 million of Inventory; (iii) \$8 million of Trade receivables, net; (iv) \$3 million of Property and equipment, net; and (v) \$8 million of Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets. This business is included within the Vacation Ownership segment.

Playbook365. On January 3, 2023, the Company acquired the Playbook365 business for \$13 million, comprised of \$6 million of cash paid at closing and contingent consideration with a fair market value of \$7 million, which can range up to \$24 million, based on the achievement of certain financial metrics. If these financial metrics are achieved, the Company would be required to make payments in the first quarter of 2025 and/or 2026. Playbook365 is a youth and amateur sports management platform. This platform was integrated with Travel Club's event lodging management platform to create an all-in-one solution in the youth sports market. This acquisition was made to broaden the products and services offered by Travel Club.

This transaction was accounted for as a business acquisition. The Company recognized the assets and liabilities of Playbook365 based on estimates of their acquisition date fair values. The determination of the fair values of the acquired assets and assumed liabilities, including goodwill and other intangible assets, required significant judgment. The purchase price allocation included: (i) \$5 million of developed software with a weighted average life of four years included within Property and equipment, net on the Condensed Consolidated Balance Sheets; (ii) \$5 million of Goodwill; (iii) \$3 million of definite-lived intangible assets with a weighted average life of four years primarily consisting of customer relationships included within Other intangibles, net on the Condensed Consolidated Balance Sheets; and (iv) \$7 million of Accrued expenses and other liabilities. All of the goodwill and other intangible assets are expected to be deductible for income tax purposes. This business is included within the Travel and Membership segment. The Company completed purchase accounting for this transaction during the third quarter of 2023.

Travel + Leisure. On January 5, 2021, the Company acquired the Travel + Leisure brand from Dotdash Meredith (formerly Meredith Corporation) for \$100 million, \$35 million of which was paid at closing. The Company made additional payments of \$20 million, \$20 million, and \$15 million during each of the second quarters of 2021, 2022, and 2023. The majority of these payments were reflected as cash used in Financing activities on the Condensed Consolidated Statements of Cash Flows. The remaining \$10 million payment is due in June 2024. This transaction was accounted for as an asset acquisition, with the full consideration allocated to the related trademark indefinite-lived intangible asset. The Company acquired the Travel + Leisure brand to accelerate its strategic plan to broaden its reach with the launch of new travel services, expand its membership travel business, and amplify the global visibility of its leisure travel products.

6. Discontinued Operations

During 2018, the Company sold its European vacation rentals business. In connection with this sale, during the three months ended March 31, 2023, the Company recognized a \$1 million Gain on disposal of discontinued business, net of income taxes associated with value added tax refunds.

7. Vacation Ownership Contract Receivables

The Company generates vacation ownership contract receivables (“VOCRs”) by extending financing to the purchasers of its VOIs. Vacation ownership contract receivables, net consisted of the following (in millions):

	March 31, 2024	December 31, 2023
<i>Vacation ownership contract receivables:</i>		
Securitized ^(a)	\$ 2,222	\$ 2,291
Non-securitized ^(b)	874	810
Vacation ownership contract receivables, gross	3,096	3,101
Less: allowance for loan losses	561	574
Vacation ownership contract receivables, net	<u>\$ 2,535</u>	<u>\$ 2,527</u>

^(a) Excludes \$18 million of accrued interest on VOCRs as of both March 31, 2024 and December 31, 2023, which are included in Trade receivables, net on the Condensed Consolidated Balance Sheets.

^(b) Excludes \$8 million of accrued interest on VOCRs as of both March 31, 2024 and December 31, 2023, which are included in Trade receivables, net on the Condensed Consolidated Balance Sheets.

During the three months ended March 31, 2024 and 2023, the Company’s securitized VOCRs generated interest income of \$0 million and \$76 million. Such interest income is included within Consumer financing revenue on the Condensed Consolidated Statements of Income.

During the three months ended March 31, 2024 and 2023, the Company had net VOCR originations of \$34 million and \$316 million, and received principal collections of \$241 million and \$234 million. The weighted average interest rate on outstanding VOCRs was 14.6% and 14.7% as of March 31, 2024 and December 31, 2023.

The Company records the difference between VOCRs and the variable consideration included in the transaction price for the sale of the related VOIs as a provision for loan losses on VOCRs. The activity in the allowance for loan losses on VOCRs was as follows (in millions):

	Three Months Ended March 31,	
	2024	2023
Allowance for loan losses, beginning balance	\$ 574	\$ 541
Provision for loan losses, net ^(a)	78	71
Contract receivables write-offs, net	(91)	(82)
Allowance for loan losses, ending balance	<u>\$ 561</u>	<u>\$ 530</u>

^(a) Recorded as a reduction to Net revenue.

Credit Quality for Financed Receivables and the Allowance for Credit Losses

The basis of the differentiation within the identified class of financed VOI contract receivables is the consumer’s Fair Isaac Corporation (“FICO”) score. A FICO score is a branded version of a consumer credit score widely used within the U.S. by the largest banks and lending institutions. FICO scores range from 300 to 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer’s credit history. The Company updates its records for all active VOI contract receivables with a balance due on a rolling monthly basis to ensure that all VOI contract receivables are scored at least every six months. The Company groups all VOI contract receivables into five different categories: FICO scores ranging from 700 to 850, from 600 to 699, below 600, no score (primarily comprised of consumers for whom a score is not readily available, including consumers declining access to FICO scores and non-U.S. residents), and Asia Pacific (comprised of receivables in the Company’s Travel + Leisure Vacation Clubs Asia Pacific business for which scores are not available).

The following table details an aging analysis of financing receivables using the most recently updated FICO scores, based on the policy described above (in millions):

As of March 31, 2024						
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	\$ 1,805	\$ 741	\$ 134	\$ 82	\$ 177	\$ 2,939
31 - 60 days	22	27	12	2	6	69
61 - 90 days	14	18	11	2	5	50
91 - 120 days	10	12	11	1	4	38
Total	\$ 1,851	\$ 798	\$ 168	\$ 87	\$ 192	\$ 3,096

As of December 31, 2023						
	700+	600-699	<600	No Score	Asia Pacific	Total
Current	\$ 1,835	\$ 735	\$ 120	\$ 83	\$ 183	\$ 2,956
31 - 60 days	22	28	13	2	1	66
61 - 90 days	12	16	10	1	—	39
91 - 120 days	10	16	12	2	—	40
Total	\$ 1,879	\$ 795	\$ 155	\$ 88	\$ 184	\$ 3,101

The Company ceases to accrue interest on VOI contract receivables once the contract has remained delinquent for greater than 90 days and reverses all of the associated accrued interest recognized to date against interest income included within Consumer financing revenue on the Condensed Consolidated Statements of Income. At greater than 120 days, the VOI contract receivable is written off to the allowance for loan losses. In accordance with its policy, the Company assesses the allowance for loan losses using a static pool methodology and thus does not assess individual loans for impairment.

The following tables detail the year of origination of financing receivables using the most recently updated FICO scores, based on the policy described above (in millions):

As of March 31, 2024						
	700+	600-699	<600	No Score	Asia Pacific	Total
2024	\$ 234	\$ 60	\$ —	\$ 13	\$ 41	\$ 348
2023	698	292	45	25	78	1,138
2022	363	176	45	13	17	614
2021	154	81	25	3	11	274
2020	78	36	10	3	10	137
Prior	324	153	43	30	35	585
Total	\$ 1,851	\$ 798	\$ 168	\$ 87	\$ 192	\$ 3,096

As of December 31, 2023						
	700+	600-699	<600	No Score	Asia Pacific	Total
2023	\$ 850	\$ 292	\$ 27	\$ 33	\$ 107	\$ 1,309
2022	407	202	46	14	18	687
2021	172	90	27	4	12	305
2020	86	39	10	4	10	149
2019	131	65	18	11	13	238
Prior	233	107	27	22	24	413
Total	\$ 1,879	\$ 795	\$ 155	\$ 88	\$ 184	\$ 3,101

The table below represents the gross write-offs of financing receivables by year of origination (in millions):

	Three Months Ended March 31, 2024
2024	\$ —
2023	43
2022	22
2021	10
2020	3
Prior	16
Total	\$ 94

8. Inventory

Inventory consisted of the following (in millions):

	March 31, 2024	December 31, 2023
Completed VOI inventory	\$ 938	\$ 899
Estimated VOI recoveries	206	207
Land held for VOI development	29	20
VOI construction in process	10	5
Vacation exchange credits and other	4	4
Total inventory	\$ 1,187	\$ 1,135

As VOI inventory is completed it is transferred into property and equipment until such units are registered and made available for sale. Once registered and available for sale, the units are then transferred back into completed inventory. The Company had net transfers of VOI inventory from property and equipment of \$39 million during the three months ended March 31, 2024 and net transfers of VOI inventory to property and equipment of \$19 million during the three months ended and March 31, 2023.

Inventory Obligations

The Company has entered into inventory sale transactions with third-party developers for which the Company has conditional rights and obligations to repurchase the completed properties from the developers subject to the properties conforming to the Company's vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party. Under the sale of real estate accounting guidance, the conditional rights and obligations of the Company constitute continuing involvement and thus the Company was unable to account for these transactions as a sale.

The following table summarizes the activity related to the Company's inventory obligations (in millions):

	Las Vegas ^(a)	Other ^(b)	Total
December 31, 2023	\$ —	\$ 8	\$ 8
Purchases	—	33	33
Payments	—	(34)	(34)
March 31, 2024	<u>\$ —</u>	<u>\$ 7</u>	<u>\$ 7</u>
December 31, 2022	\$ 30	7	37
Purchases	—	12	12
Payments	(30)	(13)	(43)
March 31, 2023	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 6</u>

^(a) Included in Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

^(b) Included in Accounts payable on the Condensed Consolidated Balance Sheets.

9. Property and Equipment

Property and equipment, net consisted of the following (in millions):

	March 31, 2024	December 31, 2023
Capitalized software	\$ 770	\$ 756
Building and leasehold improvements ^(a)	633	665
Furniture, fixtures and equipment	165	168
Finance leases	44	41
Land	28	28
Construction in progress	22	24
Total property and equipment	1,662	1,682
Less: accumulated depreciation and amortization	1,048	1,027
Property and equipment, net	\$ 614	\$ 655

^(a) Includes \$216 million and \$256 million of unregistered VOI inventory as of March 31, 2024 and December 31, 2023.

10. Debt

The Company's indebtedness consisted of the following (in millions):

	March 31, 2024	December 31, 2023
<i>Non-recourse vacation ownership debt:</i> ^(a)		
Term notes ^(b)	\$ 1,824	\$ 1,707
USD bank conduit facility (due September 2025) ^(c)	136	261
AUD/NZD bank conduit facility (due December 2024) ^(d)	97	103
Total	\$ 2,057	\$ 2,071
<i>Debt:</i> ^(e)		
\$1.0 billion secured revolving credit facility (due October 2026) ^(f)	\$ 292	\$ —
\$300 million 2018 secured term loan B (due May 2025) ^(g)	283	284
\$598 million 2023 secured incremental term loan B (due December 2029) ^(h)	582	583
\$300 million 5.65% secured notes (due April 2024)	300	300
\$350 million 6.60% secured notes (due October 2025) ⁽ⁱ⁾	348	348
\$650 million 6.625% secured notes (due July 2026)	646	646
\$400 million 6.00% secured notes (due April 2027) ^(j)	404	404
\$650 million 4.50% secured notes (due December 2029)	644	643
\$350 million 4.625% secured notes (due March 2030)	347	347
Finance leases	21	20
Total	\$ 3,867	\$ 3,575

^(a) Represents non-recourse debt that is securitized through bankruptcy-remote special purpose entities, the creditors of which have no recourse to the Company for principal and interest. These outstanding borrowings (which legally are not liabilities of the Company) are collateralized by \$2.36 billion and \$2.42 billion of underlying gross VOCRs and related assets (which legally are not assets of the Company) as of March 31, 2024 and December 31, 2023.

^(b) The carrying amounts of the term notes are net of deferred financing costs of \$ 24 million and \$ 22 million as of March 31, 2024 and December 31, 2023.

^(c) The Company has a borrowing capacity of \$ 600 million under the USD bank conduit facility through September 2025. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than October 2026.

^(d) The Company has a borrowing capacity of 200 million Australian dollars ("AUD") and 25 million New Zealand dollars ("NZD") under the AUD/NZD bank conduit facility through December 2024. Borrowings under this facility are required to be repaid no later than January 2027.

^(e) The carrying amounts of the secured notes and term loan are net of unamortized discounts of \$ 19 million and \$ 20 million as of March 31, 2024 and December 31, 2023, and net of unamortized debt financing costs of \$11 million and \$ 12 million as of March 31, 2024 and December 31, 2023.

^(f) The weighted average effective interest rate on facility borrowings was 7.67% and 7.47% as of March 31, 2024 and December 31, 2023.

- (g) The weighted average effective interest rate on facility borrowings was 7.85% and 7.49% as of March 31, 2024 and December 31, 2023.
(h) The weighted average effective interest rate on facility borrowings was 8.78% and 9.25% as of March 31, 2024 and December 31, 2023.
(i) Includes \$2 million of unamortized losses from the settlement of a derivative as of both March 31, 2024 and December 31, 2023.
(j) Includes \$5 million and \$6 million of unamortized gains from the settlement of a derivative as of March 31, 2024 and December 31, 2023.

Sierra Timeshare 2024-1 Receivables Funding LLC

On March 21, 2024, the Company closed on a placement of a series of term notes payable, issued by Sierra Timeshare 2024-1 Receivables Funding LLC, with an initial principal amount of \$350 million, secured by VOCRs and bearing interest at a weighted average coupon rate of 5.66%. The advance rate for this transaction was 95.25%.

Maturities and Capacity

The Company's outstanding indebtedness as of March 31, 2024, matures as follows (in millions):

	Non-recourse Vacation Ownership Debt	Debt	Total
Within 1 year	\$ 219	\$ 317	\$ 536
Between 1 and 2 years	333	641	974
Between 2 and 3 years	207	949	1,156
Between 3 and 4 years	216	411	627
Between 4 and 5 years	216	6	222
Thereafter	866	1,543	2,409
	<u>\$ 2,057</u>	<u>\$ 3,867</u>	<u>\$ 5,924</u>

Required principal payments on the non-recourse vacation ownership debt are based on the contractual repayment terms of the underlying VOCRs. Actual maturities may differ as a result of prepayments by the VOCR obligors.

As of March 31, 2024, the available capacities under the Company's borrowing arrangements were as follows (in millions):

	Non-recourse Conduit Facilities (a)	Revolving Credit Facilities (b)
Total capacity	\$ 745	\$ 1,000
Less: outstanding borrowings	233	292
Less: letters of credit	—	2
Available capacity	<u>\$ 512</u>	<u>\$ 706</u>

(a) Consists of the Company's USD bank conduit facility and AUD/NZD bank conduit facility. The capacities of these facilities are subject to the Company's ability to provide additional assets to collateralize additional non-recourse borrowings.

(b) Consists of the Company's \$1.0 billion secured revolving credit facility.

Debt Covenants

The revolving credit facility and term loan B facilities are subject to covenants including the maintenance of specific financial ratios as defined in the credit agreement. The financial ratio covenants consist of a minimum interest coverage ratio of no less than 2.50 to 1.0 as of the measurement date and a maximum first lien leverage ratio not to exceed 4.25 to 1.0 as of the measurement date. The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date.

As of March 31, 2024, the Company's interest coverage ratio was 4.16 to 1.0 and the first lien leverage ratio was 3.50 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of March 31, 2024, the Company was in compliance with the financial covenants described above.

Each of the Company's non-recourse securitized term notes and bank conduit facilities contain various triggers relating to the performance of the applicable loan pools. If the VOCR pool that collateralizes one of the Company's securitization notes fails to perform within the parameters established by the contractual triggers (such as higher default or delinquency rates), there are provisions pursuant to which the cash flows for that pool will be maintained in the securitization as extra

collateral for the note holders or applied to accelerate the repayment of outstanding principal to the note holders. As of March 31, 2024, all of the Company's securitized loan pools were in compliance with applicable contractual triggers.

Interest Expense

The Company incurred interest expense of \$64 million and \$58 million during the three months ended March 31, 2024 and 2023, excluding interest expense associated with non-recourse vacation ownership debt. These amounts include offsets of less than \$1 million of capitalized interest in both of the three months ended March 31, 2024 and 2023. Cash paid related to such interest was \$56 million and \$53 million during the three months ended March 31, 2024 and 2023.

Interest expense incurred in connection with the Company's non-recourse vacation ownership debt was \$3 million and \$25 million during the three months ended March 31, 2024 and 2023, and is recorded within Consumer financing interest on the Condensed Consolidated Statements of Income. Cash paid related to such interest was \$27 million and \$20 million for the three months ended March 31, 2024 and 2023.

11. Variable Interest Entities

The Company analyzes its variable interests, including loans, guarantees, interests in special purpose entities ("SPEs"), and equity investments, to determine if an entity in which the Company has a variable interest is a variable interest entity ("VIE"). If the entity is deemed to be a VIE, the Company consolidates those VIEs for which the Company is the primary beneficiary.

Vacation Ownership Contract Receivables Securitizations

The Company pools qualifying VOCRs and sells them to bankruptcy-remote entities. VOCRs qualify for securitization based primarily on the credit strength of the VOI purchaser to whom financing has been extended. VOCRs are securitized through bankruptcy-remote SPEs that are consolidated within the Company's Condensed Consolidated Financial Statements. As a result, the Company does not recognize gains or losses resulting from these securitizations at the time of sale to the SPEs. Interest income is recognized when earned over the contractual life of the VOCRs. The Company services the securitized VOCRs pursuant to servicing agreements negotiated on an arm's-length basis based on market conditions. The activities of these SPEs are limited to (i) purchasing VOCRs from the Company's vacation ownership subsidiaries, (ii) issuing debt securities and/or borrowing under a conduit facility to fund such purchases, and (iii) entering into derivatives to hedge interest rate exposure. The bankruptcy-remote SPEs are legally separate from the Company. The receivables held by the bankruptcy-remote SPEs are not available to creditors of the Company and legally are not assets of the Company. Additionally, the non-recourse debt that is securitized through the SPEs is legally not a liability of the Company and thus, the creditors of these SPEs have no recourse to the Company for principal and interest.

The assets and liabilities of these vacation ownership SPEs are as follows (in millions):

	March 31, 2024	December 31, 2023
Securitized contract receivables, gross ^(a)	\$ 2,222	\$ 2,291
Securitized restricted cash ^(b)	105	96
Interest receivables on securitized contract receivables ^(c)	18	18
Other assets ^(d)	12	13
Total SPE assets	2,357	2,418
Non-recourse term notes ^{(e) (f)}	1,824	1,707
Non-recourse conduit facilities ^(e)	233	364
Other liabilities ^(g)	3	4
Total SPE liabilities	2,060	2,075
SPE assets in excess of SPE liabilities	\$ 297	\$ 343

^(a) Included in Vacation ownership contract receivables, net on the Condensed Consolidated Balance Sheets.

^(b) Included in Restricted cash on the Condensed Consolidated Balance Sheets.

^(c) Included in Trade receivables, net on the Condensed Consolidated Balance Sheets.

^(d) Primarily includes deferred financing costs for the bank conduit facilities and a security investment asset, which is included in Other assets on the Condensed Consolidated Balance Sheets.

^(e) Included in Non-recourse vacation ownership debt on the Condensed Consolidated Balance Sheets.

^(f) Includes deferred financing costs of \$ 24 million and \$ 22 million as of March 31, 2024 and December 31, 2023, related to non-recourse debt.

(g) Primarily includes accrued interest on non-recourse debt, which is included in Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

In addition, the Company has VOCRs that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were \$74 million and \$810 million as of March 31, 2024 and December 31, 2023.

A summary of total vacation ownership receivables and other securitized assets, net of securitized liabilities and the allowance for loan losses, is as follows (in millions):

	March 31, 2024	December 31, 2023
SPE assets in excess of SPE liabilities	\$ 297	\$ 343
Non-securitized contract receivables	874	810
Less: allowance for loan losses	561	574
Total, net	<u>\$ 610</u>	<u>\$ 579</u>

12. Fair Value

The Company measures its financial assets and liabilities at fair value on a recurring basis and utilizes the fair value hierarchy to determine such fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value driver is observable.

Level 3: Unobservable inputs used when little or no market data is available.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls has been determined based on the lowest level input (closest to Level 3) that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The Company's derivative instruments currently consist of foreign exchange forward contracts and interest rate caps.

As of March 31, 2024, the Company had foreign exchange contracts resulting in less than \$1 million of assets which are included within Other assets and \$1 million of liabilities which are included in Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets. On a recurring basis, such assets and liabilities are remeasured at estimated fair value (all of which are Level 2) and thus are equal to the carrying value.

The impact of interest rate caps was immaterial as of March 31, 2024 and 2023.

For assets and liabilities that are measured using quoted prices in active markets, the fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using other significant observable inputs are valued by reference to similar assets and liabilities. For these items, a significant portion of fair value is derived by reference to quoted prices of similar assets and liabilities in active markets. For assets and liabilities that are measured using significant unobservable inputs, fair value is primarily derived using a fair value model, such as a discounted cash flow model.

The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, accounts payable, and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities.

The carrying amounts and estimated fair values of all other financial instruments were as follows (in millions):

	March 31, 2024		December 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net (Level 3)	\$ 2,535	\$ 2,836	\$ 2,527	\$ 2,829
Liabilities				
Debt (Level 2)	\$ 5,924	\$ 5,845	\$ 5,646	\$ 5,541

The Company estimates the fair value of its VOCRs using a discounted cash flow model which it believes is comparable to the model that an independent third-party would use in the current market. The model uses Level 3 inputs consisting of default rates, prepayment rates, coupon rates, and loan terms for the contract receivables portfolio as key drivers of risk and relative value that, when applied in combination with pricing parameters, determines the fair value of the underlying contract receivables.

The Company estimates the fair value of its non-recourse vacation ownership debt by obtaining Level 2 inputs comprised of indicative bids from investment banks that actively issue and facilitate the secondary market for timeshare securities. The Company estimates the fair value of its debt, excluding finance leases, using Level 2 inputs based on indicative bids from investment banks and determines the fair value of its secured notes using quoted market prices (such secured notes are not actively traded).

13. Derivative Instruments and Hedging Activities

Foreign Currency Risk

The Company has foreign currency rate exposure to exchange rate fluctuations worldwide with particular exposure to the Euro, British pound sterling, Australian and Canadian dollars, and Mexican peso. The Company uses freestanding foreign currency forward contracts to manage a portion of its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables, payables, and forecasted earnings of foreign subsidiaries. Additionally, the Company has used foreign currency forward contracts designated as cash flow hedges to manage a portion of its exposure to changes in forecasted foreign currency denominated vendor payments. As of March 31, 2024, the Company had no gains or losses relating to contracts designated as cash flow hedges included in Accumulated other comprehensive loss ("AOCL").

Interest Rate Risk

A portion of the debt used to finance the Company's operations is exposed to interest rate fluctuations. The Company periodically uses financial derivatives to strategically adjust its mix of fixed to floating rate debt. The derivative instruments utilized include interest rate swaps which convert fixed rate debt into variable rate debt (i.e. fair value hedges) and interest rate caps (undesignated hedges) to manage the overall interest cost. For relationships designated as fair value hedges, changes in fair value of the derivatives are recorded in income, with offsetting adjustments to the carrying amount of the hedged debt. As of March 31, 2024 and 2023, the Company had no interest rate derivatives designated as fair value or cash flow hedges.

There were no losses on derivatives recognized in AOCL for the three months ended March 31, 2024 or 2023.

14. Income Taxes

The Company files U.S. federal and state, and foreign income tax returns in jurisdictions with varying statutes of limitations. With few exceptions, the Company is no longer subject to U.S. federal income tax examinations for years prior to 2020 and state and local income tax examinations prior to 2016. In significant foreign jurisdictions, years prior to 2015 are generally no longer subject to income tax examinations by their respective tax authorities.

The Company's effective tax rate was 28.5% and 25.5% for the three months ended March 31, 2024 and 2023. The effective tax rate for the three months ended March 31, 2024 was primarily impacted by the portion of stock-based compensation expense that is not deductible for tax purposes. The effective tax rate for the three months ended March 31, 2023 was primarily impacted by a decrease in state taxes and a decrease in unrecognized tax benefits partially offset by the portion of stock-based compensation expense that was not deductible for tax purposes.

The Company made income tax payments, net of tax refunds, of \$6 million and \$5 million during the three months ended March 31, 2024 and 2023.

15. Leases

The Company leases property and equipment under finance and operating leases for its corporate headquarters, administrative functions, marketing and sales offices, and various other facilities and equipment. For leases with terms greater than 12 months, the Company records the related asset and obligation at the present value of lease payments over the term. Many of its leases include rental escalation clauses, lease incentives, renewal options and/or termination options that are factored into the Company's determination of lease payments. The Company elected the hindsight practical expedient to determine the reasonably certain lease term for existing leases. The Company also made an accounting policy election to keep leases with an initial term of 12 months or less off the balance sheet and recognize the associated lease payments on a straight-line basis over the lease term in the Condensed Consolidated Statements of Income.

When available, the Company uses the rate implicit in the lease to discount lease payments to present value; however, most of its leases do not provide a readily determinable implicit rate. Therefore, the Company must estimate its incremental borrowing rate to discount the lease payments based on information available at lease commencement. The majority of the Company's leases have remaining lease terms of one to 20 years, some of which include options to extend the leases for up to 10 years, and some of which include options to terminate the leases within one year.

The table below presents information related to the lease costs for finance and operating leases (in millions):

	Three Months Ended	
	March 31,	
	2024	2023
Operating lease cost	\$ 5	\$ 5
Short-term lease cost	\$ 3	\$ 3
Finance lease cost:		
Amortization of right-of-use assets	\$ 2	\$ 2
Interest on lease liabilities	1	—
Total finance lease cost	\$ 3	\$ 2

The table below presents the lease-related assets and liabilities recorded on the Condensed Consolidated Balance Sheets:

		March 31,	
Balance Sheet Classification		2024	December 31, 2023
Operating leases (in millions):			
Operating lease right-of-use assets	Other assets	\$ 44	\$ 46
Operating lease liabilities	Accrued expenses and other liabilities	\$ 82	\$ 87
Finance leases (in millions):			
Finance lease assets ^(a)	Property and equipment, net	\$ 21	\$ 21
Finance lease liabilities	Debt	\$ 21	\$ 20
Weighted average remaining lease term:			
Operating leases		4.6 years	5.1 years
Finance leases		2.8 years	2.8 years
Weighted average discount rate:			
Operating leases ^(b)		6.0 %	6.0 %
Finance leases		6.6 %	6.6 %

^(a) Presented net of accumulated depreciation.

^(b) Upon adoption of the lease standard, discount rates used for existing leases were established at January 1, 2019.

The table below presents supplemental cash flow information related to leases (in millions):

	Three Months Ended March 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 8	\$ 8
Operating cash outflows from finance leases	\$ —	\$ —
Financing cash outflows from finance leases	\$ 2	\$ 2
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 1	\$ 1
Finance leases	\$ 3	\$ 2

The table below presents maturities of lease liabilities as of March 31, 2024 (in millions):

	Operating Leases	Finance Leases
Nine months ending December 31, 2024	\$ 22	\$ 7
2025	25	9
2026	15	5
2027	13	2
2028	11	—
Thereafter	11	—
Total minimum lease payments	97	23
Less: amount of lease payments representing interest	(15)	(2)
Present value of future minimum lease payments	\$ 82	\$ 21

16. Commitments and Contingencies

The Company is involved in claims, legal and regulatory proceedings, and governmental inquiries related to its business, none of which, in the opinion of management, is expected to have a material effect on the Company's results of operations or financial condition.

Travel + Leisure Co. Litigation

The Company may be from time to time involved in claims, legal and regulatory proceedings, and governmental inquiries arising in the ordinary course of its business including but not limited to: for its Vacation Ownership business — breach of contract, bad faith, conflict of interest, fraud, consumer protection and other statutory claims by property owners' associations, owners and prospective owners in connection with the sale or use of VOIs or land, or the management of vacation ownership resorts, construction defect claims relating to vacation ownership units or resorts or in relation to guest reservations and bookings; and negligence, breach of contract, fraud, consumer protection and other statutory claims by guests and other consumers for alleged injuries sustained at or acts or occurrences related to vacation ownership units or resorts or in relation to guest reservations and bookings; for its Travel and Membership business — breach of contract, fraud and bad faith claims by affiliates and customers in connection with their respective agreements, negligence, breach of contract, fraud, consumer protection and other statutory claims asserted by members, guests and other consumers for alleged injuries sustained at or acts or occurrences related to affiliated resorts, or in relation to guest reservations and bookings; and for each of its businesses, bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy, employment matters including but not limited to, claims of wrongful termination, retaliation, discrimination, harassment and wage and hour claims, whistleblower claims, claims of infringement upon third parties' intellectual property rights, claims relating to information security, privacy and consumer protection, fiduciary duty/trust claims, tax claims, environmental claims, and landlord/tenant disputes.

The Company records an accrual for legal contingencies when it determines, after consultation with outside counsel where appropriate, that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, the Company's ability to make a reasonable estimate of loss. The Company reviews these accruals each fiscal quarter and makes revisions based on changes in facts and circumstances including changes to its strategy in dealing with these matters. The Company believes that it has adequately

accrued for such matters with reserves of \$10 million and \$7 million as of March 31, 2024 and December 31, 2023. Litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings and/or cash flows in any given reporting period. As of March 31, 2024, it is estimated that the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to \$20 million in excess of recorded accruals. Such accruals are exclusive of matters relating to the Company's separation from Cendant, matters relating to the spin-off of Wyndham Hotels & Resorts, Inc. ("Spin-off"), and matters relating to the sale of the vacation rentals businesses, which are discussed in Note 21—*Transactions with Former Parent and Former Subsidiaries*. However, the Company does not believe that the impact of such litigation should result in a material liability to the Company in relation to its consolidated financial position and/or liquidity.

For matters deemed reasonably possible, therefore not requiring accrual, the Company believes that such matters will not have a material effect on its results of operations, financial position, or cash flows based on information currently available.

GUARANTEES/INDEMNIFICATIONS

Standard Guarantees/Indemnifications

In the ordinary course of business, the Company enters into agreements that contain standard guarantees and indemnities whereby the Company indemnifies another party for specified breaches of, or third-party claims relating to, an underlying agreement. Such underlying agreements are typically entered into by one of the Company's subsidiaries. The various underlying agreements generally govern purchases, sales or outsourcing of products or services, leases of real estate, licensing of software and/or development of vacation ownership properties, customer data safeguards, access to credit facilities, derivatives, and issuances of debt securities. Also in the ordinary course of business, the Company provides corporate guarantees for its operating business units relating to merchant credit-card processing for prepaid customer stays and other deposits. While a majority of these guarantees and indemnifications extend only for the duration of the underlying agreement, some survive the expiration of the agreement. The Company is not able to estimate the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not predictable. In certain cases, the Company receives offsetting indemnifications from third-parties and/or maintains insurance coverage that may mitigate any potential payments.

Other Guarantees and Indemnifications

For information on guarantees and indemnifications related to the Company's former parent and subsidiaries see Note 21—*Transactions with Former Parent and Former Subsidiaries*.

17. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows (in millions):

	Foreign Currency Translation Adjustments	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss
Pretax			
Balance, December 31, 2023	\$ (170)	\$ 1	\$ (169)
Other comprehensive loss	(15)	—	(15)
Balance, March 31, 2024	<u>\$ (185)</u>	<u>\$ 1</u>	<u>\$ (184)</u>
Tax			
Balance, December 31, 2023	\$ 99	\$ —	\$ 99
Other comprehensive loss	—	—	—
Balance, March 31, 2024	<u>\$ 99</u>	<u>\$ —</u>	<u>\$ 99</u>
Net of Tax			
Balance, December 31, 2023	\$ (71)	\$ 1	\$ (70)
Other comprehensive loss	(15)	—	(15)
Balance, March 31, 2024	<u>\$ (86)</u>	<u>\$ 1</u>	<u>\$ (85)</u>

	Foreign Currency Translation Adjustments	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss
Pretax			
Balance, December 31, 2022	\$ (178)	\$ —	\$ (178)
Other comprehensive loss	(1)	—	(1)
Balance, March 31, 2023	<u>\$ (179)</u>	<u>\$ —</u>	<u>\$ (179)</u>
Tax			
Balance, December 31, 2022	\$ 99	\$ —	\$ 99
Other comprehensive loss	(1)	—	(1)
Balance, March 31, 2023	<u>\$ 98</u>	<u>\$ —</u>	<u>\$ 98</u>
Net of Tax			
Balance, December 31, 2022	\$ (79)	\$ —	\$ (79)
Other comprehensive loss	(2)	—	(2)
Balance, March 31, 2023	<u>\$ (81)</u>	<u>\$ —</u>	<u>\$ (81)</u>

Foreign currency translation adjustments exclude income taxes related to investments in foreign subsidiaries where the Company intends to reinvest the undistributed earnings indefinitely in those foreign operations.

The Company's policy for releasing disproportionate income tax effects from AOCL utilizes the aggregate approach.

There were no reclassifications out of AOCL for the three months ended March 31, 2024 or 2023.

18. Stock-Based Compensation

The Company has a stock-based compensation plan available to grant RSUs, PSUs, stock-settled appreciation rights, NQs, and other stock-based awards to key employees, non-employee directors, advisors, and consultants.

Under the Amended and Restated 2006 Equity Incentive Plan, a maximum of 15.7 million shares of common stock may be awarded. As of March 31, 2024, based on number of awards granted at target performance levels, 9.4 million shares remained available.

Incentive Equity Awards Granted by the Company

During the three months ended March 31, 2024, the Company granted incentive equity awards to key employees and senior officers of \$2 million in the form of RSUs and \$10 million in the form of PSUs, based on target performance. Of these

awards, the RSUs will vest ratably over a period of four years and the PSUs will cliff vest on the third anniversary of the grant date, contingent upon the Company achieving certain performance metrics, with a maximum vesting of 200%.

During the three months ended March 31, 2023, the Company granted incentive equity awards to key employees and senior officers of \$3 million in the form of RSUs and \$21 million in the form of PSUs, based on target performance.

The activity related to incentive equity awards granted by the Company to key employees and senior officers for the three months ended March 31, 2024, consisted of the following (in millions, except grant prices):

	Balance, December 31, 2023	Granted	Vested / Exercised (a)	Cancelled / Forfeited (b)	Balance, March 31, 2024
RSUs					
Number of RSUs	1.6	0.7	(0.5)	(0.1)	1.7 (c)
Weighted average grant price	\$ 47.11	\$ 45.19	\$ 47.90	\$ 47.99	\$ 45.98
PSUs					
Number of PSUs	0.8	0.2	(0.1)	—	0.9 (d)
Weighted average grant price	\$ 47.29	\$ 45.19	\$ 59.00	\$ —	\$ 45.20
NQs					
Number of NQs	2.3	—	—	(0.1)	2.2 (e)
Weighted average grant price	\$ 44.88	\$ —	\$ —	\$ 46.24	\$ 44.88

(a) Upon exercise of NQs and vesting of RSUs and PSUs, the Company issues new shares to participants.

(b) The Company recognizes cancellations and forfeitures as they occur.

(c) Aggregate unrecognized compensation expense related to RSUs was \$ 72 million as of March 31, 2024, which is expected to be recognized over a weighted average period of 3.0 years.

(d) The aggregate unrecognized compensation expense related to PSUs that are probable of vesting was \$ 16 million as of March 31, 2024, which is expected to be recognized over a weighted average period of 2.3 years. The maximum amount of compensation expense associated with PSUs that are not probable of vesting could range up to \$ 42 million which would be recognized over a weighted average period of 1.9 years.

(e) There were 1.9 million NQs which were exercisable as of March 31, 2024. These exercisable NQs will expire over a weighted average period of 3.7 years and carry a weighted average grant date fair value of \$8.65. Unrecognized compensation expense for NQs was \$ 1 million as of March 31, 2024, which is expected to be recognized over a weighted average period of 0.9 years.

The Company did not grant any stock options during the three months ended March 31, 2024 or 2023. The fair value of stock options granted by the Company prior to 2023 was estimated on the date of grant using the Black-Scholes option-pricing model with the relevant weighted average assumptions. Expected volatility was based on both historical and implied volatilities of the Company's stock and the stock of comparable companies over the estimated expected life for options. The expected life represented the period of time these awards were expected to be outstanding. The risk-free interest rate was based on yields on U.S. Treasury strips with a maturity similar to the estimated expected life of the options. The projected dividend yield was based on the Company's anticipated annual dividend divided by the price of the Company's stock on the date of the grant.

The total intrinsic value of options exercised was less than \$1 million during the three months ended March 31, 2024 and 2023. The vest date fair value of shares that vested during the three months ended March 31, 2024 and 2023 was \$32 million and \$22 million.

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense of \$9 million and \$10 million during the three months ended March 31, 2024 and 2023 related to incentive equity awards granted to key employees, senior officers, and non-employee directors. During the three months ended March 31, 2024 and 2023 the Company recognized \$2 million and \$3 million of tax benefits associated with stock-based compensation.

The Company paid \$9 million and \$5 million of taxes for the net share settlement of incentive equity awards that vested during the three months ended March 31, 2024 and 2023. Such amounts are included within Financing activities on the Condensed Consolidated Statements of Cash Flows.

19. Segment Information

The Company has two reportable segments: Vacation Ownership and Travel and Membership. The reportable segments presented below are those for which discrete financial information is available and which are utilized on a regular basis by the chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management uses Adjusted EBITDA to assess the performance of the reportable segments. Adjusted EBITDA is defined by the Company as net income from continuing operations before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, legacy items, transaction costs for acquisitions and divestitures, asset impairments/recoveries, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels & Resorts, Inc. (“Wyndham Hotels”) and Cendant, and the sale of the vacation rentals businesses. The Company believes that Adjusted EBITDA is a useful measure of performance for its segments which, when considered with GAAP measures, the Company believes gives a more complete understanding of its operating performance. The Company’s presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

The following tables present the Company’s segment information (in millions):

	Three Months Ended March 31,	
	2024	2023
Net revenues		
Vacation Ownership	\$ 725	\$ 685
Travel and Membership	193	200
Total reportable segments	918	885
Corporate and other ^(a)	(2)	(6)
Total Company	\$ 916	\$ 879

	Three Months Ended March 31,	
	2024	2023
Reconciliation of Net income to Adjusted EBITDA		
Net income attributable to Travel + Leisure Co. shareholders	\$ 66	\$ 64
Gain on disposal of discontinued business, net of income taxes	—	(1)
Interest expense	64	58
Interest (income)	(4)	(3)
Provision for income taxes	26	22
Depreciation and amortization	28	28
Stock-based compensation	9	10
Acquisition and divestiture related costs	2	—
Legacy items	—	4
Loss on sale of business ^(b)	—	2
Adjusted EBITDA	\$ 191	\$ 184

	Three Months Ended March 31,	
	2024	2023
Adjusted EBITDA		
Vacation Ownership	\$ 135	\$ 131
Travel and Membership	75	71
Total reportable segments	210	202
Corporate and other ^(a)	(19)	(18)
Total Company	\$ 191	\$ 184

^(a) Includes the elimination of transactions between segments.

^(b) Represents the loss on sale of the Love Home Swap business.

Segment Assets ^(a)	March 31, 2024	December 31, 2023
Vacation Ownership	\$ 5,064	\$ 4,980
Travel and Membership	1,362	1,353
Total reportable segments	6,426	6,333
Corporate and other	597	405
Total Company	\$ 7,023	\$ 6,738

(a) Excludes investment in consolidated subsidiaries.

20. Restructuring

2023 Restructuring Plan

During 2023, the Company incurred \$26 million of restructuring charges. These actions were primarily focused on enhancing organizational efficiency and rationalizing operations. These charges included personnel-related costs resulting from a reduction of approximately 250 employees and other expenses. As part of this restructuring plan, the Company decided to decrease its facilities by closing its owned office in Indianapolis, Indiana, and exiting other leased locations. The 2023 restructuring plan charges consisted of (i) \$11 million of personnel-related costs at the Travel and Membership segment, (ii) \$9 million of personnel-related costs and \$1 million of lease costs at the Vacation Ownership segment, and (iii) \$5 million of personnel-related costs at the Company's corporate operations. These restructuring charges included \$2 million of accelerated stock-based compensation expense, which is included within Additional paid-in capital on the Condensed Consolidated Balance Sheets. All material initiative and related expenses have been incurred as of December 31, 2023. As of December 31, 2023, this restructuring liability was \$15 million which was reduced by \$9 million of cash payments during the three months ended March 31, 2024. The remaining 2023 restructuring liability of \$6 million is expected to be paid by the end of 2025.

The Company has additional restructuring plans which were implemented prior to 2023. As of December 31, 2023, the restructuring liability related to these plans was \$8 million which was reduced by \$1 million of cash payments during the three months ended March 31, 2024. The remaining liability of \$7 million, most of which is related to leased facilities, is expected to be paid by the end of 2029.

The activity associated with the Company's restructuring plans is summarized as follows (in millions):

	Liability as of			Liability as of
	December 31, 2023	Costs Recognized	Cash Payments	March 31, 2024
Facility-related	\$ 17	\$ —	\$ (1)	\$ 16
Personnel-related	16	—	(9)	7
	\$ 33	\$ —	\$ (10)	\$ 23

21. Transactions with Former Parent and Former Subsidiaries

Matters Related to Cendant

Pursuant to the Separation and Distribution Agreement with Cendant (the Company's former parent company, now Avis Budget Group), the Company entered into certain guarantee commitments with Cendant and Cendant's former subsidiary, Realogy (now Anywhere Real Estate Inc.). These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which Wyndham Worldwide Corporation assumed 37.5% of the responsibility while Cendant's former subsidiary Realogy is responsible for the remaining 62.5%. In connection with the Spin-off, Wyndham Hotels agreed to retain one-third of Cendant's contingent and other corporate liabilities and associated costs; therefore, Travel + Leisure Co. is effectively responsible for 25% of such matters subsequent to the separation. Since Cendant's separation, Cendant has settled the majority of the lawsuits that were pending on the date of the separation.

On March 21, 2023, the California Office of Tax Appeals ("OTA") issued an opinion on a Cendant legacy tax matter involving Avis Budget Group related to a 1999 transaction. The matter concerned (i) whether the statute of limitations barred proposed assessment notices issued by the California Franchise Tax Board; and (ii) whether a transaction undertaken by the taxpayers for the 1999 tax year constituted a tax-free reorganization under the Internal Revenue Code. The OTA ruled in favor of the California Franchise Tax Board. During the second quarter of 2023 Cendant filed a petition

for rehearing. On April 10, 2024, Cendant's petition was denied, with payment due in the second quarter of 2024, one third of which is the responsibility of Wyndham Hotels.

As of both March 31, 2024 and December 31, 2023, the Cendant separation and related liabilities were \$3 million, all of which were tax related liabilities. These liabilities are included within Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets.

Matters Related to Wyndham Hotels

In connection with the Spin-off on May 31, 2018, Travel + Leisure Co. entered into several agreements with Wyndham Hotels that govern the relationship of the parties following the separation including the Separation and Distribution Agreement, the Employee Matters Agreement, the Tax Matters Agreement, the Transition Services Agreement, and the License, Development and Noncompetition Agreement. The Transition Services Agreement ended in 2020.

The Company and Wyndham Hotels entered into a letter agreement during 2021 pursuant to which, among other things, Wyndham Hotels waived its right to enforce certain noncompetition covenants in the License, Development and Noncompetition Agreement.

In accordance with the agreements governing the relationship between Travel + Leisure Co. and Wyndham Hotels, Travel + Leisure Co. assumed two-thirds and Wyndham Hotels assumed one-third of certain contingent corporate liabilities of the Company incurred prior to the Spin-off, including liabilities of the Company related to certain terminated or divested businesses, certain general corporate matters, and any actions with respect to the separation plan. Likewise, Travel + Leisure Co. is entitled to receive two-thirds and Wyndham Hotels is entitled to receive one-third of the proceeds from certain contingent corporate assets of the Company arising prior to the Spin-off.

Matters Related to the European Vacation Rentals Business

In connection with the sale of the Company's European vacation rentals business to Awaze Limited ("Awaze"), formerly Compass IV Limited, an affiliate of Platinum Equity, LLC, the Company and Wyndham Hotels agreed to certain post-closing credit support for the benefit of certain credit card service providers, a British travel association, and certain regulatory authorities to allow them to continue providing services or regulatory approval to the business. Post-closing credit support may be called if the business fails to meet its primary obligation to pay amounts when due. Awaze has provided an indemnification to Travel + Leisure Co. in the event that the post-closing credit support is enforced or called upon.

At closing, the Company agreed to provide additional post-closing credit support to a British travel association and regulatory authority. An escrow was established at closing, of which \$46 million was subsequently released in exchange for a secured bonding facility and a perpetual guarantee denominated in pound sterling of \$46 million. The estimated fair value of the guarantee was \$22 million as of March 31, 2024. The Company maintains a \$7 million receivable from Wyndham Hotels for its portion of the guarantee.

In addition, the Company agreed to indemnify Awaze against certain claims and assessments, including income tax, value-added tax and other tax matters, related to the operations of the European vacation rentals business for the periods prior to the transaction. During the second quarter of 2023, one of the guarantees under this agreement expired. The estimated fair value of the remaining indemnifications was \$36 million at March 31, 2024. The Company has a \$12 million receivable from Wyndham Hotels for its portion of the guarantee.

Wyndham Hotels provided certain post-closing credit support primarily for the benefit of a British travel association in the form of guarantees which are mainly denominated in pound sterling of up to £61 million (\$81 million USD) on a perpetual basis. These guarantees totaled £31 million (\$39 million USD) at March 31, 2024. Travel + Leisure Co. is responsible for two-thirds of these guarantees.

The estimated fair value of the guarantees and indemnifications for which Travel + Leisure Co. is responsible related to the sale of the European vacation rentals business at March 31, 2024, including the two-thirds portion related to guarantees provided by Wyndham Hotels, totaled \$84 million and was recorded in Accrued expenses and other liabilities and total receivables of \$19 million were included in Other assets on the Condensed Consolidated Balance Sheets, representing the portion of these guarantees and indemnifications for which Wyndham Hotels is responsible.

Matters Related to the North American Vacation Rentals Business

In connection with the sale of the North American vacation rentals business to Vacasa LLC ("Vacasa"), the Company agreed to indemnify Vacasa against certain claims and assessments, including income tax and other tax matters related to the operations of the North American vacation rentals business for the periods prior to the transaction. The estimated fair

value of the indemnifications was \$2 million, which was included in Accrued expenses and other liabilities on the Condensed Consolidated Balance Sheets at March 31, 2024.

22. Related Party Transactions

The Company occasionally sublets an aircraft from its former CEO and current Chairman of the Board of Directors for business travel through a timesharing arrangement. The Company incurred less than \$1 million of expenses related to this timesharing arrangement during both the three months ended March 31, 2024 and 2023.

23. Subsequent Event

On April 1, 2024, the Company repaid its \$300 million 5.65% secured notes that came due April 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**FORWARD-LOOKING STATEMENTS**

This report includes "forward-looking statements" as that term is defined by the Securities and Exchange Commission ("SEC"). Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as "may," "will," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," "future," "outlook," or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results of Travel + Leisure Co. and its subsidiaries ("Travel + Leisure Co." or "we") to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, risks associated with: the acquisition of the Travel + Leisure brand and the future prospects and plans for Travel + Leisure Co., including our ability to execute our strategies to grow our cornerstone timeshare and exchange businesses and expand into the broader leisure travel industry through our travel clubs; our ability to compete in the highly competitive timeshare and leisure travel industries; uncertainties related to acquisitions, dispositions and other strategic transactions; the health of the travel industry and declines or disruptions caused by adverse economic conditions (including inflation, higher interest rates, and recessionary pressures), terrorism or acts of gun violence, political strife, war (including hostilities in Ukraine and the Middle East), pandemics, and severe weather events and other natural disasters; adverse changes in consumer travel and vacation patterns, consumer preferences and demand for our products; increased or unanticipated operating costs and other inherent business risks; our ability to comply with financial and restrictive covenants under our indebtedness; our ability to access capital and insurance markets on reasonable terms, at a reasonable cost or at all; maintaining the integrity of internal or customer data and protecting our systems from cyber-attacks; the timing and amount of future dividends and share repurchases, if any; and those other factors disclosed as risks under "Risk Factors" in documents we have filed with the SEC, including in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 21, 2024. We caution readers that any such statements are based on currently available operational, financial and competitive information, and they should not place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date on which they were made. Except as required by law, we undertake no obligation to review or update these forward-looking statements to reflect events or circumstances as they occur.

BUSINESS AND OVERVIEW

We are a global provider of hospitality services and travel products and operate our business in the following two segments:

- **Vacation Ownership** — develops, markets and sells vacation ownership interests ("VOIs") to individual consumers, provides consumer financing in connection with the sale of VOIs, and provides property management services at resorts. This segment includes our Wyndham Destinations business line.
- **Travel and Membership** — operates a variety of travel businesses, including vacation exchange brands, travel technology platforms, travel memberships, and direct-to-consumer rentals. This segment is comprised of our Exchange and Travel Club business lines.

Economic Conditions and Key Business Trends

During the first quarter of 2024, our business saw strong demand for leisure travel which resulted in higher tours and Gross VOI sales at our Vacation Ownership business, as compared to prior year. Our volume per guest ("VPGs") also continued to perform above pre-pandemic levels, despite VPG levels moderating in response to our strategic shift to increase our mix of new owners, which generally produce lower VPGs and lower close rates. This strategic shift was made to grow our pipeline of potential future owner upgrade sales.

This quarter also highlighted the impact of cost savings realized as a result of the strategic realignment of our Travel and Membership segment at the end of 2023. As a result of those cost saving initiatives we saw an increase in net income and Adjusted EBITDA at this segment despite a decrease in revenue as compared to the prior year. The Travel and Membership segment was also benefited by pricing increases which led to higher revenue per transaction and served to partially offset the impact of lower transactions, as compared to the prior year. Lower transactions compared to the prior year were primarily the result of an increasing mix of exchange members with a club affiliation, who have a lower transaction propensity.

We continue to benefit from the changes we made to our consumer credit quality marketing criteria in order to strengthen sales efficiencies and improve the performance of our vacation ownership contract receivables ("VOCR") portfolio. As a result of these changes we have seen an overall improvement in delinquencies.

While we are experiencing the benefits of positive demand trends, recent inflationary pressures, high interest rates, and risk of recession inherently result in uncertainty in business trends and consumer behavior. Higher interest rates negatively impacted

our interest expense during the three months ended March 31, 2024; however, at the end of the quarter we closed on a term securitization with a lower blended interest rate and higher advance rate than our securitization in the fourth quarter of 2023. Our Vacation Ownership business is benefited by the fact that the majority of our owners do not have loans and are therefore less dependent on economic conditions when making travel decisions. This business, and, to a greater extent, our Travel and Membership businesses are highly dependent on the health of the travel industry and we are subject to the other risks and uncertainties discussed in “*Risk Factors*” contained in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 21, 2024.

Accor Vacation Club Acquisition

On March 1, 2024, we acquired Accor Vacation Club, for \$50 million (\$44 million net of cash acquired). The fair value of purchase consideration was comprised of \$40 million net cash paid at closing and \$4 million to be paid in April 2024. Accor Vacation Club represents 24 resorts and nearly 30,000 members. This acquisition is expected to help the two companies establish a relationship to develop new timeshare products in the Asia Pacific, Middle East, Africa, and Türkiye regions under the Accor Vacation Club brand, leveraging the Travel + Leisure Co. global platform. Accor will receive a percentage of vacation ownership sales revenue as a licensing fee under the exclusive licensing agreement and we received the exclusive right to develop new vacation ownership clubs and products in the foregoing regions, utilizing the Accor Vacation Club brand. The acquisition is included within the Vacation Ownership segment. See Note 5—*Acquisitions* to the Condensed Consolidated Financial Statements for additional details.

Pillar Two

The Organization for Economic Co-operation and Development (“OECD”), continues to put forth various initiatives, including Pillar Two rules which include the introduction of a global minimum tax at a rate of 15%. European Union member states agreed to implement the OECD’s Pillar Two rules with effective dates of January 1, 2024 and January 1, 2025, for different aspects of the directive and most have already enacted legislation. A number of other countries are also implementing similar legislation. As of March 31, 2024, based on the countries in which we do business that have enacted legislation effective January 1, 2024, the impact of these rules to our financial statements was not material. This may change as other countries enact similar legislation and further guidance is released. We continue to closely monitor regulatory developments to assess potential impacts.

RESULTS OF OPERATIONS

We have two reportable segments: Vacation Ownership and Travel and Membership. The reportable segments presented are those for which discrete financial information is available and which are utilized on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying the reportable segments, we also consider the nature of services provided by our operating segments. Management uses Adjusted EBITDA to assess the performance of the reportable segments. We define Adjusted EBITDA as net income from continuing operations before depreciation and amortization, interest expense (excluding consumer financing interest), early extinguishment of debt, interest income (excluding consumer financing revenues) and income taxes. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, legacy items, transaction costs for acquisitions and divestitures, asset impairments/recoveries, gains and losses on sale/disposition of business, and items that meet the conditions of unusual and/or infrequent. Legacy items include the resolution of and adjustments to certain contingent assets and liabilities related to acquisitions of continuing businesses and dispositions, including the separation of Wyndham Hotels & Resorts, Inc. and Cendant, and the sale of the vacation rentals businesses. We believe that Adjusted EBITDA is a useful measure of performance for our segments which, when considered with GAAP measures, we believe gives a more complete understanding of our operating performance. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

OPERATING STATISTICS

The table below presents our operating statistics for the three months ended March 31, 2024 and 2023. These operating statistics are the drivers of our revenues and therefore provide an enhanced understanding of our businesses. Refer to the Three Months Ended March 31, 2024 vs. Three Months Ended March 31, 2023 section for a discussion on how these operating statistics affected our business for the periods presented.

	Three Months Ended March 31,		
	2024	2023	% Change ^(h)
Vacation Ownership ^(a)			
Gross VOI sales (in millions) ^{(b) (i)}	\$ 490	\$ 454	7.8
Tours (in 000s) ^(c)	155	135	14.8
Volume per guest ^(d)	\$ 3,035	\$ 3,215	(5.6)
Travel and Membership ^(a)			
Transactions (in 000s) ^(c)			
Exchange	275	300	(8.4)
Travel Club	170	175	(2.9)
Total transactions	445	475	(6.3)
Revenue per transaction ^(f)			
Exchange	\$ 350	\$ 347	1.0
Travel Club	\$ 256	\$ 247	3.7
Total revenue per transaction	\$ 315	\$ 310	1.4
Average number of exchange members (in 000s) ^(g)	3,493	3,512	(0.5)

(a) Includes the impact of acquisitions from the acquisition dates forward.

(b) Represents total sales of VOIs, including sales under the Fee-for-Service program before the effect of loan loss provisions. We believe that Gross VOI sales provides an enhanced understanding of the performance of our Vacation Ownership business because it directly measures the sales volume of this business during a given reporting period.

(c) Represents the number of tours taken by guests in our efforts to sell VOIs.

(d) VPG is calculated by dividing Gross VOI sales (excluding telesales and virtual sales) by the number of tours. We have excluded non-tour sales in the calculation of VPG because they are generated by a different marketing channel. We believe that VPG provides an enhanced understanding of the performance of our Vacation Ownership business because it directly measures the efficiency of this business' tour selling efforts during a given reporting period.

(e) Represents the number of exchanges and travel bookings recognized as revenue during the period, net of cancellations.

(f) Represents transaction revenue divided by transactions.

(g) Represents paid members in our vacation exchange programs who are considered to be in good standing.

(h) Percentage change may not calculate due to rounding.

(i) The following table provides a reconciliation of Vacation ownership interest sales, net to Gross VOI sales for the three months ended March 31, 2024 and 2023 (in millions):

	2024	2023
Vacation ownership interest sales, net	\$ 369	\$ 338
Loan loss provision	78	71
Gross VOI sales, net of Fee-for-Service sales	447	409
Fee-for-Service sales ⁽¹⁾	43	45
Gross VOI sales	\$ 490	\$ 454

(1) Represents total sales of VOIs through our Fee-for-Service programs where inventory is sold through our sales and marketing channels for a commission. There were \$18 million and \$27 million of Fee-for-Service commission revenues for the three months ended March 31, 2024 and 2023. These commissions are reported within Service and membership fees on the Condensed Consolidated Statements of Income.

THREE MONTHS ENDED MARCH 31, 2024 VS. THREE MONTHS ENDED MARCH 31, 2023

Our consolidated results are as follows (in millions):

	Three Months Ended March 31,		
	2024	2023	Favorable/(Unfavorable)
Net revenues	\$ 916	\$ 879	\$ 37
Expenses	766	739	(27)
Loss on sale of business	—	2	2
Operating income	150	138	12
Interest expense	64	58	(6)
Other (income), net	(2)	(2)	—
Interest (income)	(4)	(3)	1
Income before income taxes	92	85	7
Provision for income taxes	26	22	(4)
Net income from continuing operations	66	63	3
Gain on disposal of discontinued business, net of income taxes	—	1	(1)
Net income attributable to Travel + Leisure Co. shareholders	\$ 66	\$ 64	\$ 2

Net revenues increased \$37 million for the three months ended March 31, 2024, compared with the same period last year. This increase in net revenues, excluding immaterial foreign currency impacts, was primarily the result of:

- \$41 million of increased revenues at our Vacation Ownership segment primarily due to an increase in net VOI sales as a result of increased tours, partially offset by a decrease in VPG due to a higher mix of new owners which generally produce lower VPGs, and lower close rates; higher property management revenues resulting from higher property management fees and reimbursable revenues; partially offset by
- \$7 million of decreased revenues at our Travel and Membership segment primarily due to lower transactions, partially offset by increased revenue per transaction resulting from price increases.

Expenses increased \$27 million for the three months ended March 31, 2024, compared with the same period last year. This increase in expenses, excluding immaterial foreign currency impacts, was primarily the result of:

- \$10 million increase in sales and commission expenses at the Vacation Ownership segment due to higher gross VOI sales, net of Fee-for-Service sales;
- \$9 million increase in marketing costs in support of increased tour flow and new owner mix;
- \$8 million increase in property management expenses due to higher reimbursable resort operating costs and expenses; and an
- \$8 million increase in consumer financing interest expense primarily due to an increased weighted average coupon rate and higher average non-recourse debt balance.

These increases were partially offset by a \$12 million decrease in general and administrative expenses driven by lower professional fees.

We recognized a loss on sale of business of \$2 million during the three months ended March 31, 2023 resulting from the sale of the Love Home Swap business.

Interest expense increased \$6 million for the three months ended March 31, 2024 compared with the same period last year primarily due to increased borrowing activity under the 2023 Incremental Term Loan B facility, and higher interest rates on variable borrowings in 2024.

Our effective tax rates were 28.5% and 25.5% during the three months ended March 31, 2024 and 2023. The effective tax rate for the three months ended March 31, 2024, was primarily impacted by the portion of stock-based compensation expense that is not deductible for tax purposes. The effective tax rate for the three months ended March 31, 2023, was impacted by a decrease in state taxes and a decrease in unrecognized tax benefits partially offset by the portion of stock-based compensation expense that was not deductible for tax purposes.

As a result of these items, Net income attributable to Travel + Leisure Co. shareholders increased \$2 million for the three months ended March 31, 2024 as compared to the same period last year.

Our segment results are as follows (in millions):

	Three Months Ended March 31,	
	2024	2023
Net revenues		
Vacation Ownership	\$ 725	\$ 685
Travel and Membership	193	200
Total reportable segments	918	885
Corporate and other ^(a)	(2)	(6)
Total Company	\$ 916	\$ 879
	Three Months Ended March 31,	
	2024	2023
Reconciliation of Net income to Adjusted EBITDA		
Net income attributable to Travel + Leisure Co. shareholders	\$ 66	\$ 64
Gain on disposal of discontinued business, net of income taxes	—	(1)
Interest expense	64	58
Interest (income)	(4)	(3)
Provision for income taxes	26	22
Depreciation and amortization	28	28
Stock-based compensation	9	10
Acquisition and divestiture related costs	2	—
Legacy items	—	4
Loss on sale of business ^(b)	—	2
Adjusted EBITDA	\$ 191	\$ 184
	Three Months Ended March 31,	
	2024	2023
Adjusted EBITDA		
Vacation Ownership	\$ 135	\$ 131
Travel and Membership	75	71
Total reportable segments	210	202
Corporate and other ^(a)	(19)	(18)
Total Company	\$ 191	\$ 184

^(a) Includes the elimination of transactions between segments.

^(b) Represents the loss on sale of the Love Home Swap business.

Vacation Ownership

Net revenues increased \$40 million and Adjusted EBITDA increased \$4 million during the three months ended March 31, 2024, compared with the same period of 2023. The increases in net revenue and Adjusted EBITDA were not materially impacted by foreign currency.

The net revenue increase, excluding immaterial foreign currency impacts, was primarily driven by:

- \$39 million increase in gross VOI sales, net of Fee-for-Service sales, due to a 14.8% increase in tours, partially offset by a 5.6% decrease in VPG due to a higher mix of new owner tours (54% in the current period compared to 49% in the same period of 2023) which generally produce lower VPGs and lower close rates;
- \$13 million increase in property management revenues primarily due to higher management fees and reimbursable revenues; and
- \$7 million increase in consumer financing revenues primarily due to a higher average portfolio balance.

These increases were partially offset by an \$8 million decrease in commission revenues due to the volume of VOI Fee-for-Service sales and a \$7 million increase in our provision for loan losses primarily due to higher net originations.

In addition to the revenue change explained above, Adjusted EBITDA was further impacted by:

- \$15 million increase in marketing costs in support of increased tour flow and new owner mix;
- \$10 million increase in sales and commission expenses due to higher gross VOI sales, net of Fee-for-Service sales;
- \$8 million increase in property management expenses due to higher reimbursable resort operating costs and expenses;
- \$8 million increase in consumer financing interest expense primarily due to an increased weighted average coupon rate and higher average non-recourse debt balance; and
- \$3 million increase in cost of VOIs sold primarily due to higher VOI sales volume.

These increases were partially offset by a \$6 million decrease in general and administrative expenses primarily due to lower professional fees and a \$3 million decrease in commission expense due to the volume of VOI Fee-for-Service sales.

Travel and Membership

Net revenues decreased \$7 million and Adjusted EBITDA increased \$4 million during the three months ended March 31, 2024, compared with the same period of 2023. The net revenues decrease and Adjusted EBITDA increase were not materially impacted by foreign currency.

The decrease in net revenues was primarily driven by lower transactions, partially offset by increased revenue per transaction resulting from price increases. Transactions were impacted by an increasing mix of exchange members with a club affiliation who have a lower transaction propensity.

In addition to the revenue change explained above, Adjusted EBITDA was positively impacted by a \$5 million decrease in marketing costs and \$6 million decrease in other operating costs driven by the strategic restructuring of this segment; which focused on enhancing organizational efficiency and rationalizing operations.

Corporate and other

For the three months ended March 31, 2024 compared to the same period of 2023, Corporate and other revenue increased \$4 million and Adjusted EBITDA decreased \$1 million.

The increase in revenue, excluding immaterial foreign currency impacts, was due to a \$3 million decrease in eliminated transactions between segments and a \$1 million increase related to fees charged for managing an insurance program on behalf of homeowners associations.

In addition to the revenue increase described above, Adjusted EBITDA, excluding immaterial foreign currency impacts, was further impacted by \$3 million of higher general and administrative costs and a \$2 million decrease in eliminated expenses between segments.

RESTRUCTURING PLANS

2023 Restructuring Plan

We incurred \$26 million of charges during 2023 associated with the 2023 restructuring plan. This action was primarily focused on enhancing organizational efficiency and rationalizing operations. These charges included personnel-related costs resulting from a reduction of approximately 250 employees and other expenses. As part of this restructuring plan, we also decided to decrease our organizational footprint by closing our owned office in Indianapolis, Indiana, and exiting other leased locations. The charges consisted of (i) \$11 million of personnel-related costs at the Travel and Membership segment, (ii) \$9 million of personnel-related costs and \$1 million of lease costs at the Vacation Ownership segment, and (iii) \$5 million of personnel-related costs at our corporate operations. These restructuring charges included \$2 million of accelerated stock-based compensation expense. All material initiative and related expenses have been incurred as of March 31, 2024.

See Note 20—*Restructuring* to the Condensed Consolidated Financial Statements for additional details of our restructuring activities.

FINANCIAL CONDITION

(In millions)	March 31, 2024	December 31, 2023	Change
Total assets	\$ 7,023	\$ 6,738	\$ 285
Total liabilities	\$ 7,948	\$ 7,655	\$ 293
Total (deficit)	\$ (925)	\$ (917)	\$ (8)

Total assets increased by \$285 million from December 31, 2023 to March 31, 2024, primarily due to:

- \$197 million increase in Cash and cash equivalents driven by \$292 million of net borrowings on the revolving credit facility and \$47 million of net cash provided by operating activities, partially offset by: \$40 million net payment related to the acquisition of Accor Vacation Club, \$38 million of dividend payments, \$25 million of share repurchases, and \$17 million of property and equipment additions;
- \$52 million increase in Inventory driven by \$44 million of inventory additions, including \$8 million from the acquisition of Accor Vacation Club, and \$39 million of net transfers of completed VOI inventory from property and equipment; partially offset by the sale of \$34 million of VOI inventory;
- \$40 million increase in Prepaid expenses driven by a \$38 million increase in prepaid maintenance due to timing of contract renewals; and
- \$31 million increase in Goodwill, primarily due to the acquisition of Accor Vacation Club.

These increases were partially offset by a \$41 million decrease in Property and equipment, net due to \$39 million of net transfers of completed VOI inventory to Inventory.

Total liabilities increased by \$293 million from December 31, 2023 to March 31, 2024, primarily due to:

- \$292 million increase in Debt driven by net borrowings under the revolving credit facility; and a
- \$22 million increase in Deferred income taxes primarily driven by installment sales.

These increases were partially offset by a \$14 million decrease in Non-recourse vacation ownership debt driven by net repayments.

Total deficit increased \$8 million from December 31, 2023 to March 31, 2024, primarily due to \$36 million of dividends, \$25 million of share repurchases including excise tax, and \$15 million of unfavorable currency translation adjustments driven by fluctuations in exchange rates, primarily the Australian dollar, British pound sterling, and the Euro; partially offset by \$66 million of Net income attributable to Travel + Leisure Co. shareholders.

LIQUIDITY AND CAPITAL RESOURCES

We believe that we have sufficient sources of liquidity to meet our expected ongoing short-term and long-term cash needs, including capital expenditures, operational and/or strategic opportunities, and expenditures for human capital, intellectual property, contractual obligations, off-balance sheet arrangements, and other such requirements. Our net cash from operations and cash and cash equivalents are key sources of liquidity along with our revolving credit facility, bank conduit facilities, and continued access to debt markets. We believe these anticipated sources of liquidity are sufficient to meet our expected ongoing short-term and long-term cash needs, including the repayment of our \$300 million notes due in April 2024. Our discussion below highlights these sources of liquidity and how they have been utilized to support our cash needs.

Cash and Cash Equivalents

As of March 31, 2024, we had \$479 million of Cash and cash equivalents, which includes highly-liquid investments with an original maturity of three months or less.

\$1.0 Billion Revolving Credit Facility

We generally utilize our revolving credit facility to finance our short-term to medium-term business operations, as needed. The facility expires in October 2026 and had \$706 million of available capacity as of March 31, 2024.

The revolving credit facility and term loan B facilities are subject to covenants including the maintenance of specific financial ratios as defined in the credit agreement. The financial ratio covenants consist of a minimum interest coverage ratio of no less than 2.50 to 1.0 as of the measurement date and a maximum first lien leverage ratio not to exceed 4.25 to 1.0 as of the measurement date. The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in

the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date. Our first lien leverage ratio determines the interest rate spread on revolver borrowings and fees associated with letters of credit, which subjects them to fluctuation.

As of March 31, 2024, our interest coverage ratio was 4.16 to 1.0 and our first lien leverage ratio was 3.50 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of March 31, 2024, we were in compliance with the financial covenants described above.

On March 30, 2023, we entered into the fourth amendment to the credit agreement governing our revolving credit facility and term loan B facilities. Through this amendment we exercised our early opt-in election to change the benchmark rate on the revolving credit facility and the 2018 Term Loan B Facility due May 2025 from the USD London Interbank Offered Rate ("LIBOR") to the Term Secured Overnight Financing Rate ("SOFR"). This change became effective on March 31, 2023, for both new borrowings and rollovers of then existing USD LIBOR based borrowings (except Base Rate borrowings) and eliminated our exposure to LIBOR.

Secured Notes and Term Loan B facilities

We generally utilize borrowing via secured note issuances to meet our long-term financing needs. During 2022, we entered into the third amendment to the credit agreement governing our revolving credit facility and the original 2018 Term Loan B Facility which provided for the 2022 Incremental Term Loan B Facility of \$300 million due 2029. On December 20, 2023, we further amended the credit agreement governing our revolving credit facility and term loan B facilities ("Fifth Amendment"). The Fifth Amendment refinanced \$298 million of outstanding borrowings under the 2022 Incremental Term Loan B facility and included additional borrowings of \$300 million. This new 2023 Incremental Term Loan B facility matures on December 14, 2029. These transactions reinforce our expectation that we will maintain adequate liquidity for the next year and beyond.

As of March 31, 2024, we had \$3.55 billion of outstanding borrowings under our secured notes and term loan B facilities with maturities ranging from 2024 to 2030. Subsequent to the end of the quarter, we used the net proceeds from the 2023 Incremental Term Loan B Facility, together with available cash on hand and revolving credit facility borrowings to repay our outstanding \$300 million 5.65% secured notes that came due April 2024 and related fees and expenses.

Non-recourse Vacation Ownership Debt

Our Vacation Ownership business finances certain of its VOCRs through (i) asset-backed conduit facilities and (ii) term asset-backed securitizations, all of which are non-recourse to us with respect to principal and interest. For the securitizations, we pool qualifying VOCRs and sell them to bankruptcy-remote entities, all of which are consolidated into the accompanying Condensed Consolidated Balance Sheets. We plan to continue using these sources to finance certain VOCRs. We believe that our USD bank conduit facility with a term through September 2025 and our AUD/NZD bank conduit facility, with a term through December 2024, amounting to a combined capacity of \$745 million (\$512 million available as of March 31, 2024) along with our ability to issue term asset-backed securities, provides sufficient liquidity to finance the sale of VOIs beyond the next year.

We closed on securitization financings of \$350 million during the three months ended March 31, 2024. During the full year of 2023, we closed on \$1.09 billion of securitization financings. These transactions positively impacted our liquidity and reinforce our expectation that we will maintain adequate liquidity for the next year and beyond.

Our liquidity position may be negatively affected by unfavorable conditions in the capital markets in which we operate or if our VOCR portfolios do not meet specified portfolio credit parameters. Our liquidity, as it relates to our VOCR securitization program, could be adversely affected if we were to fail to renew or replace our conduit facilities on their expiration dates, or if a particular receivables pool were to fail to meet certain ratios, which could occur in certain instances if the default rates or other credit metrics of the underlying VOCRs deteriorate. Our ability to sell securities backed by our VOCRs depends on the continued ability and willingness of capital market participants to invest in such securities.

Each of our non-recourse securitized term notes and the bank conduit facilities contain various triggers relating to the performance of the applicable loan pools. If the VOCR pool that collateralizes one of our securitization notes fails to perform within the parameters established by the contractual triggers (such as higher default or delinquency rates), there are provisions pursuant to which the cash flows for that pool will be maintained in the securitization as extra collateral for the note holders or applied to accelerate the repayment of outstanding principal to the note holders. As of March 31, 2024, all of our securitized loan pools were in compliance with applicable contractual triggers.

We may, from time to time, depending on market conditions and other factors, repurchase our outstanding indebtedness, whether or not such indebtedness trades above or below its face amount, for cash and/or in exchange for other securities or other consideration, in each case in open market purchases and/or privately negotiated transactions.

For additional details regarding our credit facilities, term loan B facilities, and non-recourse debt see Note 10—*Debt* to the Condensed Consolidated Financial Statements.

Material Cash Requirements

The following table summarizes material future contractual obligations of our continuing operations as of March 31, 2024 (in millions). We plan to fund these obligations, along with our other cash requirements, with net cash from operations, cash and cash equivalents, and through the use of our revolving credit facilities, bank conduit facilities, and continued access to debt markets.

	4/1/24 - 3/31/25	4/1/25 - 3/31/26	4/1/26 - 3/31/27	4/1/27 - 3/31/28	4/1/28 - 3/31/29	Thereafter	Total
Debt ^(a)	\$ 317	\$ 643	\$ 953	\$ 407	\$ 6	\$ 1,553	\$ 3,879
Non-recourse debt ^(b)	230	339	211	218	217	866	2,081
Interest on debt ^(c)	351	303	227	165	153	96	1,295
Purchase commitments ^(d)	235	173	115	94	67	27	711
Operating leases	29	22	14	13	10	9	97
Total ^(e)	\$ 1,162	\$ 1,480	\$ 1,520	\$ 897	\$ 453	\$ 2,551	\$ 8,063

(a) Represents required principal payments on notes, term loans, and finance leases.

(b) Represents required principal payments on debt that is securitized through bankruptcy-remote special purpose entities; the creditors of which have no recourse to us for principal and interest.

(c) Includes interest on debt and non-recourse debt; estimated using the stated interest rates.

(d) Includes \$523 million for marketing-related activities and \$124 million for information technology activities.

(e) Excludes a \$31 million liability for unrecognized tax benefits as it is not reasonably estimable to determine the periods in which such liability would be settled with the respective tax authorities.

In addition to the amounts shown in the table above and in connection with our separation from Cendant, we entered into certain guarantee commitments with Cendant (pursuant to our assumption of certain liabilities and our obligation to indemnify Cendant, Realogy (now Anywhere Real Estate Inc.), and Travelport for such liabilities) and guarantee commitments related to deferred compensation arrangements with Cendant and Realogy. We also entered into certain guarantee commitments and indemnifications related to the sale of our vacation rentals businesses. For information on matters related to our former parent and subsidiaries see Note 21—*Transactions with Former Parent and Former Subsidiaries* to the Condensed Consolidated Financial Statements.

In addition to the key contractual obligation and separation related commitments described above, we also utilize surety bonds in our Vacation Ownership business for sales and development transactions in order to meet regulatory requirements of certain states. In the ordinary course of our business, we have assembled commitments from 12 surety providers in the amount of \$2.3 billion, of which we had \$542 million outstanding as of March 31, 2024. The availability, terms and conditions and pricing of bonding capacity are dependent on, among other things, continued financial strength and stability of the insurance company affiliates providing the bonding capacity, general availability of such capacity, and our corporate credit rating. If the bonding capacity is unavailable or, alternatively, the terms and conditions and pricing of the bonding capacity are unacceptable to us, our Vacation Ownership business could be negatively impacted.

As of March 31, 2024, our secured debt is rated Ba3 with a “stable outlook” by Moody’s Investors Service, Inc., BB- with a “stable outlook” by Standard & Poor’s Rating Services, and BB+ with a “stable outlook” by Fitch Rating Agency. A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Reference in this report to any such credit rating is intended for the limited purpose of discussing or referring to aspects of our liquidity and of our costs of funds. Any reference to a credit rating is not intended to be any guarantee or assurance of, nor should there be any undue reliance upon, any credit rating or change in credit rating, nor is any such reference intended as any inference concerning future performance, future liquidity, or any future credit rating.

CASH FLOW

The following table summarizes the changes in cash, cash equivalents, and restricted cash during the three months ended March 31, 2024 and 2023 (in millions):

Cash provided by/(used in)	2024	2023	Change
Operating activities:	\$ 47	\$ 7	\$ 40
Investing activities:	(57)	(17)	(40)
Financing activities:	203	(343)	546
Effects of changes in exchange rates on cash and cash equivalents	(4)	(1)	(3)
Net change in cash, cash equivalents and restricted cash	\$ 189	\$ (354)	\$ 543

Operating Activities

Net cash provided by operating activities was \$47 million for the three months ended March 31, 2024, compared to \$7 million in the prior year. This \$40 million increase was primarily attributable to a decrease in cash utilized for working capital mainly due to timing of payments.

Investing Activities

Net cash used in investing activities from continuing operations increased \$40 million during the three months ended March 31, 2024. This increase is primarily due to the \$40 million net cash payment for the acquisition of Accor Vacation Club.

Financing Activities

Net cash provided by financing activities was \$203 million during the three months ended March 31, 2024, compared to Net cash used in financing activities of \$343 million in the prior year. This variance was primarily due to \$288 million of net borrowings on the revolving credit facility and notes in the current period compared to \$191 million of net repayments in the prior year; and a \$76 million decrease in share repurchases in the current year.

Capital Deployment

We focus on deploying capital for the highest possible returns. Ultimately, our business objective is to grow our business while optimizing cash flow and Adjusted EBITDA. We intend to continue to invest in select capital and technological improvements across our business. We also regularly consider a wide array of potential acquisitions and other strategic transactions, including acquisitions of businesses and real property, joint ventures, business combinations, strategic investments and dispositions. Any of these transactions could be material to our business. As part of this strategy, we have made, and expect to continue to make, proposals and enter into non-binding letters of intent, allowing us to conduct due diligence on a confidential basis. A potential transaction contemplated by a letter of intent may never reach the point where we enter into a definitive agreement, nor can we predict the timing of such a potential transaction. Finally, we intend to continue to return value to shareholders through the repurchase of common stock and payment of dividends. All future declarations of quarterly cash dividends and increases to the capacity of our share repurchase program are subject to final approval by the Board of Directors.

During the three months ended March 31, 2024, we spent \$34 million on vacation ownership development projects (inventory). We believe that our existing Vacation Ownership business currently has adequate finished inventory to support vacation ownership sales for several years. As such, we expect to remain below historical levels of spending for vacation ownership development projects in 2024 with anticipated spending between \$105 million and \$125 million. As we add new brands to our existing portfolio, our spending may increase commensurate with the sales associated with these brands.

During the three months ended March 31, 2024, we spent \$17 million on capital expenditures, primarily for information technology and sales center improvement projects. During 2024, we anticipate spending between \$80 million and \$85 million on capital expenditures, primarily for continuation of information technology digital initiatives, sales center facility and related system enhancements, and resort improvements.

In connection with our focus on optimizing cash flow, we are continuing our asset-light efforts in vacation ownership by seeking opportunities with financial partners whereby they make strategic investments to develop assets on our behalf. We refer to this as Just-in-Time. The partner may invest in new ground-up development projects or purchase from us, for cash, existing in-process inventory which currently resides on our Condensed Consolidated Balance Sheets. The partner will complete the development of the project and we may purchase finished inventory at a future date as needed or as obligated under the agreement.

We expect that the majority of the expenditures that will be required to pursue our capital spending programs, strategic investments, and vacation ownership development projects will be financed with cash flow generated through operations and

cash and cash equivalents. We expect that additional expenditures will be financed with general secured corporate borrowings, including through the use of available capacity under our revolving credit facility.

Share Repurchase Program

On August 20, 2007, our Board of Directors authorized a share repurchase program that enables us to purchase our common stock. As of March 31, 2024, the Board of Directors has increased the capacity of the program nine times, most recently in April 2022 by \$500 million, bringing the total authorization under the current program to \$6.5 billion. Proceeds received from stock option exercises have increased the repurchase capacity by \$81 million since the inception of this program. As of March 31, 2024, we had \$146 million of remaining availability in our program.

Under our current share repurchase program, we repurchased 0.6 million shares at an average price of \$40.07 for a cost of \$25 million during the three months ended March 31, 2024. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements and other factors, including capital allocation priorities. Repurchases may be conducted in the open market or in privately negotiated transactions.

Dividends

We paid cash dividends of \$0.50 and \$0.45 per share during the first quarters of 2024 and 2023. The aggregate dividends paid to shareholders were \$38 million and \$37 million during the three months ended March 31, 2024 and 2023. Our long-term plan is to grow our dividend at the rate of growth of our earnings at a minimum. The declaration and payment of future dividends to holders of our common stock are at the discretion of our Board of Directors and depend upon many factors, including our financial condition, earnings, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice, and other factors that our Board of Directors deems relevant. There is no assurance that a payment of a dividend or a dividend at current levels will occur in the future.

SEASONALITY

We experience seasonal fluctuations in our net revenues and net income from sales of VOIs and vacation exchange fees. Revenues from sales of VOIs are generally higher in the third quarter than in other quarters due to increased leisure travel. Revenues from vacation exchange fees are generally highest in the first quarter, which is typically when members of our vacation exchange business book their vacations for the year.

The seasonality of our business may cause fluctuations in our quarterly operating results. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

COMMITMENTS AND CONTINGENCIES

From time to time, we are involved in claims, legal and regulatory proceedings, and governmental inquiries related to our business, none of which, in the opinion of management, is expected to have a material effect on our results of operations or financial condition. See Note 16—*Commitments and Contingencies* to the Condensed Consolidated Financial Statements for a description of claims and legal actions arising in the ordinary course of our business along with our guarantees and indemnifications and Note 21—*Transactions with Former Parent and Former Subsidiaries* to the Condensed Consolidated Financial Statements for a description of our obligations regarding Cendant contingent litigation, matters related to Wyndham Hotels & Resorts, Inc., and matters related to the vacation rentals businesses.

CRITICAL ACCOUNTING ESTIMATES

In presenting our Condensed Consolidated Financial Statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material impact to our consolidated results of operations, financial position, and liquidity. We believe that the estimates and assumptions we used when preparing our Condensed Consolidated Financial Statements were the most appropriate at that time. These Condensed Consolidated Financial Statements should be read in conjunction with our “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the audited Consolidated Financial Statements included in the Annual Report filed on Form 10-K with the SEC on February 21, 2024, which includes a description of our critical accounting estimates that involve subjective and complex judgments that could potentially affect reported results.

Item 3. Quantitative and Qualitative Disclosures about Market Risks.

We assess our market risks based on changes in interest and foreign currency exchange rates utilizing a sensitivity analysis that measures the potential impact in earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest and foreign currency exchange rates. We used March 31, 2024 market rates on outstanding financial instruments to perform a sensitivity analysis separately for each of our market risk exposures: interest and foreign currency rate instruments. The estimates assume instantaneous, parallel shifts in interest rate yield curves and exchange rates. There were no changes to the assumptions used in this model in 2024 compared to 2023. Through our analysis, we have determined that a hypothetical 10% change in the interest rates would have resulted in a \$1 million change in annual consumer financing interest expense and a \$6 million change in annual debt interest expense. We have determined that a hypothetical 10% change in the foreign currency exchange rates would have resulted in a change to the fair value of our outstanding forward foreign currency exchange contracts of approximately \$6 million, which would generally be offset by an opposite effect on the underlying exposure being economically hedged. As such, we believe that a 10% change in interest rates or foreign currency exchange rates would not have a material effect on our prices, earnings, fair values, or cash flows.

Our variable rate borrowings, which include our term loan B facilities, non-recourse conduit facilities, and revolving credit facility, expose us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable rate borrowings at March 31, 2024, was \$233 million in non-recourse debt and \$1.16 billion in corporate debt. A 100-basis point change in the underlying interest rates would result in a \$2 million increase or decrease in annual consumer financing interest expense and a \$12 million increase or decrease in our annual debt interest expense.

Item 4. Controls and Procedures.

- (a) *Disclosure Controls and Procedures.* As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive and principal financial officers, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13(a)-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”). Based on such evaluation, our principal executive and principal financial officers concluded that our disclosure controls and procedures were designed and functioning effectively as of the end of the period covered by this report to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.
- (b) *Internal Control Over Financial Reporting.* There have been no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the period to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As of March 31, 2024, we utilized the criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

We are involved in various claims and lawsuits arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material adverse effect on our results of operations or financial condition. See Note 16—*Commitments and Contingencies* to the Condensed Consolidated Financial Statements for a description of claims and legal actions arising in the ordinary course of our business and Note 21—*Transactions with Former Parent and Former Subsidiaries* to the Condensed Consolidated Financial Statements for a description of our obligations regarding Cendant contingent litigation, matters related to Wyndham Hotels & Resorts, Inc., and matters related to the vacation rentals businesses.

Item 1A. Risk Factors.

The discussion of our business and operations should be read together with the risk factors contained in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission on February 21, 2024, which describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. As of March 31, 2024, there have been no material changes to the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

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

(c) Below is a summary of our common stock repurchases by month for the quarter ended March 31, 2024:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under Plan ^(a)
January 2024 (January 1-31)	439,240	\$ 39.87	439,240	\$ 152,838,652
February 2024 (February 1-29)	185,154	\$ 40.54	185,154	\$ 145,463,345
March 2024 (March 1-31)	—	\$ —	—	\$ 145,586,465
Total	624,394	\$ 40.07	624,394	\$ 145,586,465

(a) Proceeds received from stock option exercises increase repurchase capacity under the plan.

On August 20, 2007, our Board of Directors authorized the repurchase of our common stock (the “Share Repurchase Program”). Under the Share Repurchase Program, we are authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The Share Repurchase Program has no time limit and may be suspended or discontinued completely at any time. The Board of Directors has since increased the capacity of the Share Repurchase Program nine times, most recently in April 2022 by \$500 million, bringing the total authorization under the current program to \$6.5 billion. See the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Share Repurchase Program*” section for further information on the Share Repurchase Program.

For a description of limitations on the payment of our dividends, see the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Dividends*.”

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

(a) None.

(b) None.

(c) None.

Item 6. Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed May 10, 2012).
3.2	Certificate of Amendment to Restated Certificate of Incorporation of Wyndham Worldwide Corporation effective as of May 31, 2018 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed June 4, 2018).
3.3	Certificate of Amendment to Restated Certificate of Incorporation of Wyndham Destinations, Inc., effective as of February 17, 2021 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed February 17, 2021).
3.4	Fourth Amended and Restated Bylaws of Travel + Leisure Co., effective as of November 8, 2023 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed November 9, 2023).
10.1*	Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (amended and restated as of March 12, 2024)
10.2*	Form of Award Agreement for Performance Stock Units, dated March 12, 2024.
10.3*	Form of Award Agreement for Restricted Stock Units for U.S. Employees, dated March 12, 2024.
10.4*	Separation Agreement, dated February 13, 2024, between Travel + Leisure Co. and Olivier Chavy
15*	Letter re: Unaudited Interim Financial Information
31.1*	Certification of President and Chief Executive Officer Pursuant to Rule 13a-14(a) Under the Securities and Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
32**	Certification of President and Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed with this report

** Furnished with this report

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRAVEL + LEISURE CO.

Date: April 24, 2024

By: /s/ Michael A. Hug
Michael A. Hug
Chief Financial Officer

Date: April 24, 2024

By: /s/ Thomas M. Duncan
Thomas M. Duncan
Chief Accounting Officer

WYNDHAM WORLDWIDE CORPORATION
2006 EQUITY AND INCENTIVE PLAN
(AMENDED AND RESTATED AS OF MARCH 12, 2024)¹

1. Purpose; Types of Awards; Construction.

The purposes of the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (as amended and restated, the "Plan") are to afford an incentive to non-employee directors, selected officers and other employees, advisors and consultants of Wyndham Worldwide Corporation (the "Company") and its Affiliates that now exist or hereafter are organized or acquired, to continue as non-employee directors, officers, employees, advisors or consultants, as the case may be, to increase their efforts on behalf of the Company and its Affiliates and to promote the success of the Company's business. The Plan provides for the grant of Options (including "incentive stock options" and "nonqualified stock options"), stock appreciation rights, restricted stock, restricted stock units and other stock- or cash-based awards.

2. Definitions.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Affiliate" shall mean, other than the Company, (i) any Subsidiary; (ii) any Parent; (iii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is directly or indirectly controlled 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company; (iv) any corporation, trade or business (including, without limitation, a partnership or limited liability company) that directly or indirectly controls 50% or more (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) of the Company; or (v) any other entity, approved by the Committee as an Affiliate under the Plan, in which the Company or any of its Affiliates has a material equity interest and which is designated as an "Affiliate" by resolution of the Committee.

(b) "Annual Incentive Program" means the program described in Section 6(c) hereof.

(c) "Award" means any Option, SAR, Restricted Stock, Restricted Stock Unit or Other Stock-Based Award or Other Cash-Based Award granted under the Plan.

(d) "Award Agreement" means any written agreement, contract, or other instrument or document evidencing an Award.

(e) "Board" means the Board of Directors of the Company.

(f) "Change in Control" means, following the Effective Date, a change in control of the Company, which will have occurred if:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (C) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Stock), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding voting securities (excluding any person who becomes such a beneficial owner in connection with a transaction immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity surviving such transaction or, if the Company or the entity surviving the transaction is then a subsidiary, the ultimate parent thereof);

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new

¹ The Wyndham Worldwide Corporation 2006 Equity and Incentive Plan was originally adopted in 2006. The Plan was amended and restated in its entirety and approved by shareholders on May 17, 2018, and the Plan, as amended and restated, supersedes all prior amendments, restatements and amendment and restatements adopted by the Company's shareholders (provided that, for the avoidance of doubt, such amendment and restatement shall not affect the ability of any Awards granted prior to the date of such amendment and restatement to qualify as "performance-based compensation" under Section 162(m) of the Code). The Plan was further amended and restated by the Board on November 3, 2020.

director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended;

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof; or

(iv) the stockholders of the Company consummate a plan of complete liquidation of the Company or there is consummated an agreement for the sale or disposition by the Company of at least 40% of the Company's assets (or any transaction having a similar effect), other than a sale or disposition by the Company of 40% or more of the Company's assets to an entity, immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed of or, if such entity is a subsidiary, the ultimate parent thereof.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of (x) a Public Offering or (y) the consummation of any transaction or series of integrated transactions immediately following which individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions. Notwithstanding any other provision of the Plan to the contrary, with respect to any Award that constitutes "nonqualified deferred compensation" within the meaning of Code Section 409A, an event shall not be considered to be a Change in Control under the Plan for purposes of triggering payment of such Award unless such event is also a "change in ownership," a "change in effective control" or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Code Section 409A.

For the avoidance of doubt, the spin-off of Wyndham Hotels & Resorts, Inc. will not constitute a Change in Control hereunder.

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder.

(h) "Code Section 409A" means Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

(i) "Committee" means the committee established by the Board to administer the Plan, the composition of which shall at all times satisfy the provisions of Rule 16b-3 and applicable stock exchange rules. If for any reason the appointed Committee does not meet the requirements of Rule 16b-3, such noncompliance with the requirements of Rule 16b-3 shall not affect the validity of the Awards, grants, interpretations or other actions of the Committee.

(j) "Company" means Wyndham Worldwide Corporation, a corporation organized under the laws of the State of Delaware, or any successor corporation.

(k) "Effective Date" means the date of stockholder approval of the amended and restated Plan at the Company's 2018 annual meeting of stockholders (i.e., May 17, 2018), subject to Sections 8(d)(i) and 8(e).

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

(m) "Fair Market Value" of a share of Stock shall be determined for purposes of the Plan, including, without limitation, with respect to the granting of any Award by using the closing price of Stock

as of the date such Award is granted, unless otherwise determined by the Committee or required by applicable law. Notwithstanding the foregoing, if at the time of grant or other applicable event, the Stock is not then listed on a national securities exchange, "Fair Market Value" shall mean, (i) if the shares of Stock are then traded in an over-the-counter market, the average of the bid and ask price for shares of Stock in such over-the-counter market (determined at the same time as contemplated in clauses (A) and (B) above with respect to the applicable action), and (ii) if the shares of Stock are not then listed on a national securities exchange or traded in an over-the-counter market, or the value of such shares is not otherwise determinable, such value as determined by the Committee in its sole discretion.

(n) "Grantee" means a person who, as a non-employee director, officer or other employee, advisor or consultant of the Company or its Affiliate, has been granted an Award under the Plan.

(o) "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code.

(p) "Long Term Incentive Program" means the program described in Section 6(b) hereof.

(q) "Non-Employee Director" means any director of the Company who is not also employed by the Company or any of its Affiliates.

(r) "NQSO" means any Option that is not designated as an ISO.

(s) "Option" means a right, granted to a Grantee under Section 6(b)(i) or 6(b)(v), to purchase shares of Stock. An Option may be either an ISO or an NQSO, provided that ISOs may be granted only to employees of the Company or a Parent or Subsidiary of the Company.

(t) "Other Cash-Based Award" means cash awarded under the Annual Incentive Program or the Long Term Incentive Program, including cash awarded as a bonus or upon the attainment of Performance Goals or otherwise as permitted under the Plan.

(u) "Other Stock-Based Award" means a right or other interest granted to a Grantee under the Annual Incentive Program or the Long Term Incentive Program that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, including but not limited to (i) unrestricted Stock awarded as a bonus or upon the attainment of Performance Goals or otherwise as permitted under the Plan, and (ii) a right granted to a Grantee to acquire Stock from the Company containing terms and conditions prescribed by the Committee.

(v) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(w) "Performance Goals" means performance goals determined by the Committee, which may be based on one or more of the following criteria: (i) pre-tax income or after-tax income; (ii) pre-tax or after-tax profits; (iii) income or earnings including operating income, earnings before or after taxes, earnings before interest, taxes, depreciation and amortization, earnings before or after interest, depreciation, amortization, or items that are unusual in nature or infrequently occurring or special items, or a combination of any or all of the foregoing; (iv) net income excluding amortization of intangible assets, depreciation and impairment of goodwill and intangible assets and/or excluding charges attributable to the adoption of new accounting pronouncements; (v) earnings or book value per share (basic or diluted); (vi) return on assets (gross or net), return on investment, return on capital, return on invested capital or return on equity; (vii) return on revenues; (viii) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (ix) economic value created; (x) operating margin or profit margin (gross or net); (xi) stock price or total stockholder return; (xii) income or earnings from continuing operations; (xiii) after-tax or pre-tax return on stockholders' equity; (xiv) growth in the value of an investment in the Company's common stock assuming the reinvestment of dividends; (xv) operating profits or net operating profits; (xvi) working capital; (xvii) gross or net sales, revenue and growth of sales revenue (either before or after cost of goods, selling and general administrative expenses, and any other expenses or interest); (xviii) cost targets, reductions and savings (including, without limitation, the achievement of a certain level of, reduction of, or other specified objectives with regard to limiting the level of increase in, all or a portion of, the Company's bank debt or other long-term or short-term public or private debt or other similar financial obligations of the

Company, which may be calculated net of such cash balances and/or other offsets and adjustments as may be established by the Committee), expense management, productivity and efficiencies; (xix) strategic business criteria, consisting of one or more objectives based on meeting specified market penetration or market share, geographic business expansion, customer satisfaction, employee satisfaction, human resources management, supervision of litigation, information technology, and goals relating to divestitures, joint ventures and similar transactions; (xx) franchise and/or royalty income; (xxi) market share; (xxii) strategic objectives, development of new product lines and related revenue, sales and margin targets; (xxiii) franchisee growth and retention; (xxiv) co-branding or international operations; (xxv) comparisons of continuing operations to other operations; (xxvi) management fee or licensing fee growth; (xxvii) other financial or business measures as may be determined by the Committee; and (xxviii) any combination of the foregoing. Where applicable, the Performance Goals may be expressed in terms of attaining a specified level of the particular criterion or the attainment of a percentage increase or decrease in the particular criterion, and may be applied to one or more of the Company or its Affiliates, or a division or strategic business unit of the Company, all as determined by the Committee. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be paid (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur). Each of the foregoing Performance Goals may be evaluated in accordance with generally accepted accounting principles (GAAP) or other financial measures (including non-GAAP measures) as determined by the Committee. The Committee shall have the authority to make equitable adjustments to the Performance Goals in recognition of unusual, non-recurring, non-core or other events affecting the Company or its Affiliates or the financial statements of the Company or its Affiliates, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be unusual in nature or infrequent in occurrence or related to a corporate transaction (including, without limitation, a disposition or acquisition) or related to a change in accounting principles, or otherwise, all as determined by the Committee in its discretion.

(x) "Performance Period" shall mean the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Grantee's right to and the payment of an Award.

(y) "Plan" means this Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (as amended and restated as of May 12, 2009, as further amended on May 13, 2010, as further restated on February 27, 2014, as further amended on August 2, 2017, as further amended and restated as of March 1, 2018 and as further amended and restated as of November [3], 2020), as amended from time to time.

(z) "Plan Year" means a calendar year.

(aa) "Public Offering" means an offering of securities of the Company that is registered with the Securities and Exchange Commission.

(bb) "Restricted Stock" means an Award of shares of Stock to a Grantee under Section 6(b)(iii) that may be subject to certain restrictions and to a risk of forfeiture.

(cc) "Restricted Stock Unit" or "RSU" means a right granted to a Grantee under Section 6(b)(iv) or Section 6(b)(v) to receive Stock or cash at the end of a specified period, which right may be conditioned on the satisfaction of specified performance or other criteria.

(dd) "Rule 16b-3" means Rule 16b-3, as from time to time in effect promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act, including any successor to such Rule.

(ee) "Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder.

(ff) "Stock" means shares of the common stock, par value \$0.01 per share, of the Company.

(gg) "Stock Appreciation Right" or "SAR" means the right, granted to a Grantee under Section 6(b)(ii), to be paid an amount measured by the appreciation in the Fair Market Value of Stock from the date of grant to the date of exercise of the right.

(hh) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ii) "Ten Percent Stockholder" shall mean a person owning stock of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, its Parent or any Subsidiary.

3. Administration.

The Plan shall be administered by the Board or by such Committee that the Board may appoint for this purpose. If a Committee is appointed to administer the Plan, all references herein to the "Committee" shall be references to such Committee. If no Committee is appointed by the Board to administer the Plan, all references herein to the "Committee" shall be references to the Board. The Committee shall have the authority in its discretion, subject to and not inconsistent with the express provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, including, without limitation, the authority to grant Awards; to determine the persons to whom and the time or times at which Awards shall be granted; to determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate and the terms, conditions, restrictions and performance criteria relating to any Award; and to determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered; to make adjustments in the terms and conditions of, and the Performance Goals (if any) included in, Awards; to construe and interpret the Plan and any Award; to prescribe, amend and rescind rules and regulations relating to the Plan; to determine the terms and provisions of the Award Agreements (which need not be identical for each Grantee); and to make all other determinations deemed necessary or advisable for the administration of the Plan. The Committee may adopt special guidelines and provisions for persons who are residing in, or subject to, the taxes of, countries other than the United States to comply with applicable tax and securities laws and may impose any limitations and restrictions that they deem necessary to comply with the applicable tax and securities laws of such countries other than the United States. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or SARs, and provided further, outstanding Options or SARs may not be replaced or cancelled in exchange for cash, other Awards or Options or SARs with an exercise price that is less than the exercise price of the original Options or SARs without stockholder approval. To the extent applicable, the Plan is intended to comply with the applicable requirements of Rule 16b-3 and shall be limited, construed and interpreted in a manner so as to comply therewith.

The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. All decisions, determinations and interpretations of the Committee shall be final and binding on all persons, including but not limited to the Company and its Affiliates or any Grantee (or any person claiming any rights under the Plan from or through any Grantee) and any stockholder.

No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Plan or any Award granted hereunder.

4. Eligibility.

Awards may be granted to selected non-employee directors, officers and other employees, advisors or consultants of the Company or its Affiliates, in the discretion of the Committee. In determining the persons to whom Awards shall be granted and the type of any Award (including the number of shares to be covered by such Award), the Committee shall take into account such factors as the Committee shall deem relevant in connection with accomplishing the purposes of the Plan.

5. Stock Subject to the Plan.

The maximum number of shares of Stock reserved for issuance under the Plan shall be 36,700,000, and pursuant to the Company's Non-Employee Directors Deferred Compensation Plan, Savings Restoration Plan, and Officer Deferred Compensation Plan, subject to adjustment as provided herein. No more than 1,000,000 shares of Stock may be issued pursuant to the exercise of ISOs, subject to adjustment as provided herein. Such shares may, in whole or in part, be authorized but unissued shares or shares that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. If any shares subject to an Award are forfeited, cancelled, exchanged or surrendered or if an Award terminates or expires without a distribution of shares to the Grantee, or if shares of Stock are surrendered or withheld as payment of either the exercise price of an Award and/or withholding taxes in respect of an Award, the shares of Stock with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, withholding, termination or expiration, again be available for Awards under the Plan. Upon the exercise of any Award granted in tandem with any other Award, such related Award shall be cancelled to the extent of the number of shares of Stock as to which the Award is exercised and, notwithstanding the foregoing, such number of shares shall no longer be available for Awards under the Plan.

The aggregate grant date fair value (computed as of the grant date in accordance with applicable financial accounting rules) of all Awards granted under the Plan to any individual Non-Employee Director in any fiscal year of the Company (excluding Awards made pursuant to deferred compensation arrangements made in lieu of all or a portion of cash retainers and any dividends payable in respect of outstanding Awards) shall not exceed \$1,000,000.

In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Stock, or other property), recapitalization, Stock split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Grantees under the Plan, then the Committee shall make such equitable changes or adjustments as it deems necessary or appropriate to any or all of (i) the number and kind of shares of Stock or other property (including cash) that may thereafter be issued in connection with Awards, (ii) the number and kind of shares of Stock or other property (including cash) issued or issuable in respect of outstanding Awards, (iii) the exercise price, grant price, or purchase price relating to any Award; provided, that, with respect to ISOs, such adjustment shall be made in accordance with Section 424(h) of the Code, and with respect to NQSOs, such adjustment shall be made in a manner intended to comply with Code Section 409A, (iv) the award limitation set forth in this Section 5; and (v) the Performance Goals applicable to outstanding Awards. Notwithstanding the foregoing or any other provision of the Plan to the contrary, Awards granted under the Plan (other than cash-based awards) shall vest no earlier than the first anniversary of the date on which the Award is granted; provided, that the Committee may grant awards covering up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the Plan pursuant to this Section 5 (subject to adjustment as provided herein) that are not subject to such minimum vesting restriction; and, provided, further, that the foregoing minimum vesting restriction does not apply to any determination of the Committee to provide for accelerated exercisability or vesting of any Award in the terms of the Award Agreement or otherwise, in its discretion.

6. Specific Terms of Awards.

(a) General. The term of each Award shall be for such period as may be determined by the Committee., provided that all Awards granted under the Plan shall have a minimum vesting period of twelve (12) months. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or its Affiliates upon the grant, vesting, maturation, or exercise of an Award may be made in such forms as the Committee shall determine at the date of grant or thereafter, including, without limitation, cash, Stock, or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis in a manner intended to comply with Code Section 409A. The Committee may make rules relating to installment or deferred payments with respect to Awards, including

the rate of interest to be credited with respect to such payments. In addition to the foregoing, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter, such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine.

(b) Long Term Incentive Program. Under the Long Term Incentive Program, the Committee is authorized to grant the Awards described in this Section 6(b), under such terms and conditions as deemed by the Committee to be consistent with the purposes of the Plan. Such Awards may be granted with value and payment contingent upon Performance Goals. Except as otherwise set forth herein or as may be determined by the Committee, each Award granted under the Long Term Incentive Program shall be evidenced by an Award Agreement containing such terms and conditions applicable to such Award as the Committee shall determine at the date of grant or thereafter.

(i) Options. The Committee is authorized to grant Options to Grantees on the following terms and conditions:

(A) Type of Award. The Award Agreement evidencing the grant of an Option under the Plan shall designate the Option as an ISO or an NQSO. To the extent that any Option does not qualify as an ISO (whether because of its provisions or the time or manner of its exercise or otherwise), such Option or the portion thereof which does not qualify, shall constitute a separate NQSO. Notwithstanding any other provision of this Plan to the contrary or any provision in an Award Agreement to the contrary, any Option granted to an employee of an Affiliate (other than one described in Section 2(a)(i) or (ii)) shall be an NQSO.

(B) Exercise Price. The exercise price per share of Stock purchasable under an Option shall be determined by the Committee, but, subject to Section 6(b)(v), in no event shall the per share exercise price of any Option be less than the Fair Market Value of a share of Stock on the date of grant of such Option; provided, however, if an ISO is granted to a Ten Percent Stockholder, the per share exercise price shall not be less than 110% of the Fair Market Value of the share of Stock on the date of grant of such ISO. The exercise price for Stock subject to an Option may be paid in cash or by an exchange of Stock previously owned by the Grantee for at least six months (if acquired from the Company), through a "broker cashless exercise" procedure approved by the Committee (to the extent permitted by law), or a combination of the above, in any case in an amount having a combined value equal to such exercise price. An Award Agreement may provide that a Grantee may pay all or a portion of the aggregate exercise price by having shares of Stock with a Fair Market Value on the date of exercise equal to the aggregate exercise price withheld by the Company.

(C) Term and Exercisability of Options. The date on which the Committee adopts a resolution expressly granting an Option, or such future date designated in the adopted resolution expressly authorizing the grant of an Option, shall be considered the day on which such Option is granted. The term of each Option shall be fixed by the Committee, but no Option shall be exercisable more than ten years after the date the Option is granted; provided, however, that the term of an ISO granted to a Ten Percent Stockholder may not exceed five years. Options shall be exercisable over the term at such times and upon such conditions as the Committee may determine, as reflected in the Award Agreement; provided, that the Committee shall have the authority to accelerate the exercisability of any outstanding Option at such time and under such circumstances as it, in its sole discretion, deems appropriate. An Option may be exercised to the extent of any or all full shares of Stock as to which the Option has become exercisable, by giving written notice of such exercise to the Committee or its designated agent.

(D) Termination of Employment/Service. An Option may not be exercised unless the Grantee is then a director of, in the employ of, or providing services to, the Company or its Affiliates, and unless the Grantee has remained continuously so employed, or continuously maintained such relationship, since the date of grant of the Option; provided, that the Award Agreement may contain provisions extending, or the Committee may otherwise determine to extend, the exercisability of Options, in the event of specified terminations of employment or service, to a date not later than the expiration date of such Option. A Grantee's employment with, or provision of services to, Wyndham Hotels & Resorts, Inc.

or its Affiliates (collectively, the "Wyndham Hotels Group") shall be deemed employment with, or provision of services to, the Company or its Affiliates for purposes of this Section 6(b)(i).

(E) Incentive Stock Option Limitations. To the extent that the aggregate Fair Market Value (determined as of the time of grant) of the Stock with respect to which ISOs are exercisable for the first time by a Grantee during any calendar year under the Plan and/or any other stock option plan of the Company, its Parent or any Subsidiary exceeds \$100,000, such Options shall be treated as Options which are not ISOs. In addition, if a Grantee does not remain employed by the Company, its Parent or any Subsidiary at all times from the time the Option is granted until three months prior to the date of exercise (or such other period as required by applicable law), such Option shall be treated as an Option which is not an ISO. Should the foregoing provisions not be necessary in order for Options to qualify as an ISO, or should any additional provisions be required, the Committee may amend the Plan accordingly, without the necessity of obtaining the approval of the stockholders of the Company.

(F) Other Provisions. Options may be subject to such other conditions including, but not limited to, restrictions on transferability of the shares acquired upon exercise of such Options, as the Committee may prescribe in its discretion or as may be required by applicable law. In no event shall the Committee award or pay dividend or dividend equivalents with respect to Options, whether vested or unvested.

(ii) SARs. The Committee is authorized to grant SARs to Grantees on the following terms and conditions:

(A) In General. Unless the Committee determines otherwise, a SAR (1) granted in tandem with an NQSO may be granted at the time of grant of the related NQSO or at any time thereafter or (2) granted in tandem with an ISO may only be granted at the time of grant of the related ISO. A SAR granted in tandem with an Option shall be exercisable only to the extent the underlying Option is exercisable. Payment of a SAR may be made in cash, Stock, or property as specified in the Award or determined by the Committee. The grant price per share of Stock subject to a SAR shall be determined by the Committee at the time of grant, provided that the per share grant price of a SAR, whether or not granted in tandem with an Option, shall not be less than 100% of the Fair Market Value of the Stock at the time of grant.

(B) Right Conferred. A SAR shall confer on the Grantee a right to receive an amount with respect to each share subject thereto, upon exercise thereof, equal to the excess of (1) the Fair Market Value of one share of Stock on the date of exercise over (2) the grant price of the SAR (which in the case of an SAR granted in tandem with an Option shall be equal to the exercise price of the underlying Option, and which in the case of any other SAR shall be such price as the Committee may determine).

(C) Term and Exercisability of SARs. The date on which the Committee adopts a resolution expressly granting a SAR, or such future date designated in the adopted resolution expressly authorizing the grant of a SAR, shall be considered the day on which such SAR is granted. SARs shall be exercisable over the exercise period (which shall not exceed the lesser of ten years from the date of grant or, in the case of a tandem SAR, the expiration of its related Award), at such times and upon such conditions as the Committee may determine, as reflected in the Award Agreement; provided, that the Committee shall have the authority to accelerate the exercisability of any outstanding SAR at such time and under such circumstances as it, in its sole discretion, deems appropriate. A SAR may be exercised to the extent of any or all full shares of Stock as to which the SAR (or, in the case of a tandem SAR, its related Award) has become exercisable, by giving written notice of such exercise to the Committee or its designated agent.

(D) Termination of Employment/Service. A SAR may not be exercised unless the Grantee is then a director of, in the employ of, or providing services to, the Company or its Affiliates, and unless the Grantee has remained continuously so employed, or continuously maintained such relationship, since the date of grant of the SAR; provided, that the Award Agreement may contain provisions extending, or the Committee may otherwise determine to extend, the exercisability of the SAR, in the event of specified terminations of employment or service, to a date not later than the expiration date

of such SAR (or, in the case of a tandem SAR, its related Award). A Grantee's employment with, or provision of services to, the Wyndham Hotels Group shall be deemed employment with, or provision of services to, the Company or its Affiliates for purposes of this Section 6(b)(ii).

(E) Other Provisions. SARs may be subject to such other conditions including, but not limited to, restrictions on transferability of the shares acquired upon exercise of such SARs, as the Committee may prescribe in its discretion or as may be required by applicable law. In no event shall the Committee award or pay dividends or dividend equivalents with respect to SARs, whether vested or unvested.

(iii) Restricted Stock. The Committee is authorized to grant Restricted Stock to Grantees on the following terms and conditions:

(A) Issuance and Restrictions. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the Committee may impose at the date of grant or thereafter, which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Committee may determine. The Committee may place restrictions on Restricted Stock that shall lapse, in whole or in part, only upon the attainment of Performance Goals. The Committee may also condition the grant of an Award of Restricted Stock on the achievement of Performance Goals. Except to the extent restricted under the Award Agreement relating to the Restricted Stock, a Grantee granted Restricted Stock shall have all of the rights of a stockholder including, without limitation, the right to vote Restricted Stock and the right to receive dividends thereon; provided that such dividends may not be paid before the underlying Restricted Stock vests.

(B) Forfeiture. Upon termination of employment with or service to, or termination of the director or independent contractor relationship with, the Company or its Affiliates during the applicable restriction period, Restricted Stock and any accrued but unpaid dividends that are then subject to restrictions shall be forfeited. Notwithstanding any other provision of this Plan to the contrary, the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Restricted Stock.

(C) Certificates for Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine, including, without limitation, requiring the shares of Restricted Stock be held in uncertificated book entry form. If certificates representing Restricted Stock are registered in the name of the Grantee, such certificates shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company shall retain physical possession of the certificate.

(D) Dividends. Stock distributed in connection with a stock split or stock dividend, and cash or other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed, and shall be settled as the same time as the Restricted Stock to which it relates.

(iv) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Grantees, subject to the following terms and conditions:

(A) Award and Restrictions. Delivery of Stock or cash, as determined by the Committee, will occur upon expiration of the deferral period specified for Restricted Stock Units by the Committee. The Committee may place restrictions on Restricted Stock Units that shall lapse, in whole or in part, only upon the attainment of Performance Goals. The Committee also may condition the grant of an Award of Restricted Stock Units on the achievement of Performance Goals. The Committee may award dividend equivalents relating to Restricted Stock Units on terms and conditions as it determines; provided that such dividend equivalents may not be paid before the underlying Restricted Stock Units vests.

(B) Forfeiture. Upon termination of employment with or service to, or termination of director or independent contractor relationship with, the Company or its Affiliates during the applicable

deferral period or portion thereof to which forfeiture conditions apply, or upon failure to satisfy any other conditions precedent to the delivery of Stock or cash to which such Restricted Stock Units relate, all Restricted Stock Units and any accrued but unpaid dividend equivalents that are then subject to deferral or restriction shall be forfeited. Notwithstanding any other provision of this Plan to the contrary, the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock Units will be waived in whole or in part in the event of termination resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Restricted Stock Units.

(C) Director Deferred Compensation Awards. The Company shall issue RSUs pursuant to this Section 6(b)(iv)(C) for the purpose of fulfilling the Company's obligations under its Non-Employee Directors Deferred Compensation Plan (the "Deferred Compensation Plan"); provided, that certain terms and conditions of the grant and payment of such RSUs set forth in the Deferred Compensation Plan (and only to the extent set forth in such plan) shall supersede the terms generally applicable to RSUs granted under the Plan. RSUs granted under this paragraph need not be evidenced by an Award Agreement unless the Committee determines that such an Award Agreement is desirable for the furtherance of the purposes of the Plan and the Deferred Compensation Plan.

(D) Non-Employee Director Compensatory Awards. The Company shall issue RSUs payable only in Stock (unless the Committee determines otherwise) pursuant to the Company's non-employer director compensation program, and shall issue Stock in settlement of such RSUs in accordance with such program and the terms of this Plan.

(v) Other Stock- or Cash-Based Awards. The Committee is authorized to grant Awards to Grantees in the form of Other Stock-Based Awards or Other Cash-Based Awards, as deemed by the Committee to be consistent with the purposes of the Plan. The Committee may condition an Other Stock- or Cash-Based Award or the lapse of restrictions with respect to an Other Stock- or Cash-Based Award on the achievement of Performance Goals. The Committee shall determine the terms and conditions of such Awards at the date of grant or thereafter. Performance Periods under this Section 6(b)(v) may overlap. Payments earned hereunder may be decreased or increased in the sole discretion of the Committee based on such factors as it deems appropriate. The Committee shall have the authority to accelerate vesting of Awards at such time and under such circumstances as it, in its sole discretion, deems appropriate. The Committee may establish such other rules applicable to the Other Stock- or Cash-Based Awards as it deems appropriate.

(c) Annual Incentive Program. In addition to Awards granted under Section 6(b), the Committee is authorized to grant Other Stock- or Cash-Based Awards to Grantees pursuant to the Annual Incentive Program, under such terms and conditions as deemed by the Committee to be consistent with the purposes of the Plan. The Committee may condition an Award under the Annual Incentive Program or the lapse of restrictions with respect to an Award under the Annual Incentive Program on the achievement of Performance Goals. Grantees will be selected by the Committee with respect to participation for a Plan Year. Payments earned hereunder may be decreased or increased in the sole discretion of the Committee based on such factors as it deems appropriate. The Committee may establish such other rules applicable to the Annual Incentive Program as it deems appropriate.

7. Change in Control Provisions. Unless otherwise determined by the Committee at the time of grant and evidenced in an Award Agreement and notwithstanding any other provision of this Plan to the contrary, in the event of a Change of Control:

(a) any Award carrying a right to exercise that was not previously vested and exercisable shall become fully vested and exercisable; and

(b) the restrictions, deferral limitations, payment conditions, and forfeiture conditions applicable to any other Award granted under the Plan shall lapse and such Awards shall be deemed fully vested, and any performance conditions imposed with respect to Awards shall be deemed to be fully achieved.

8. General Provisions.

- (a) Nontransferability. Unless otherwise provided in an Award Agreement, Awards shall not be transferable by a Grantee except by will or the laws of descent and distribution and shall be exercisable during the lifetime of a Grantee only by such Grantee or his guardian or legal representative.
- (b) No Right to Continued Employment, etc. Nothing in the Plan or in any Award, any Award Agreement or other agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ of, or to continue as a director of, or to continue to provide services to, the Company or its Affiliates or to be entitled to any remuneration or benefits not set forth in the Plan or such Award Agreement or other agreement or to interfere with or limit in any way the right of the Company or any Affiliate to terminate such Grantee's employment, or director or independent contractor relationship.
- (c) Taxes. The Company and its Affiliates are authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Stock, or any other payment to a Grantee, amounts of withholding and other taxes due in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Grantees to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Grantee's tax obligations. The Committee may provide in the Award Agreement that in the event that a Grantee is required to pay any amount to be withheld in connection with the issuance of shares of Stock in settlement or exercise of an Award, the Grantee may satisfy such obligation (in whole or in part) by electing to have the Company withhold a portion of the shares of Stock that would otherwise be received upon settlement or exercise of such Award; provided such amount withheld does not cause the award to be treated as a liability instrument under generally accepted accounting principles.
- (d) Stockholder Approval; Amendment and Termination.
- (i) The Plan shall take effect upon, and be subject to, the requisite approval of the stockholders of the Company.
- (ii) The Board may at any time and from time to time alter, amend, suspend, or terminate the Plan in whole or in part; provided, however, an amendment that requires stockholder approval in order for the Plan to continue to comply with any law, regulation or stock exchange requirement shall not be effective unless approved by the requisite vote of stockholders. Notwithstanding the foregoing, no amendment to or termination of the Plan shall affect adversely any of the rights of any Grantee, without such Grantee's consent, under any Award theretofore granted under the Plan.
- (e) Expiration of Plan. Unless earlier terminated by the Board pursuant to the provisions of the Plan, the Plan shall expire on the tenth anniversary of the earlier of (i) the date the Plan is adopted by the Board and (ii) the Effective Date. No Awards shall be granted under the Plan after such expiration date, but Awards granted prior to such date may, and the Committee's authority to administer the terms of such Awards, extend beyond that date. The expiration of the Plan shall not affect adversely any of the rights of any Grantee, without such Grantee's consent, under any Award theretofore granted.
- (f) Deferrals. The Committee shall have the authority to establish such procedures and programs that it deems appropriate to provide Grantees with the ability to defer receipt of cash, Stock or other property payable with respect to Awards granted under the Plan, provided that such deferrals are made in a manner intended to comply with Code Section 409A.
- (g) No Rights to Awards; No Stockholder Rights. No Grantee shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Grantees. Except as provided specifically herein, a Grantee or a transferee of an Award shall have no rights as a stockholder with respect to any shares covered by the Award until the date of the issuance of a stock certificate to him for such shares.
- (h) Unfunded Status of Awards. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Grantee pursuant to an Award, nothing contained in the Plan or any Award shall give any such Grantee any rights that are greater than those of a general creditor of the Company.

(i) No Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) Regulations and Other Approvals.

(i) The obligation of the Company to sell or deliver Stock with respect to any Award granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Committee.

(ii) Each Award is subject to the requirement that, if at any time the Committee determines, in its absolute discretion, that the listing, registration or qualification of Stock issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Award or the issuance of Stock, no such Award shall be granted or payment made or Stock issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Committee.

(iii) In the event that the disposition of Stock acquired pursuant to the Plan is not covered by a then-current registration statement under the Securities Act and is not otherwise exempt from such registration, such Stock shall be restricted against transfer to the extent required by the Securities Act or regulations thereunder, and the Committee may require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to represent to the Company in writing that the Stock acquired by such Grantee is acquired for investment only and not with a view to distribution.

(iv) The Committee may require a Grantee receiving Stock pursuant to the Plan, as a condition precedent to receipt of such Stock, to enter into a stockholder agreement or "lock-up" agreement in such form as the Committee shall determine is necessary or desirable to further the Company's interests.

(k) Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

(l) Tax Laws. The Plan and Awards made under the Plan are intended to comply with, or be exempt from, the applicable requirements of Code Section 409A, and the Plan and all Awards shall be limited, construed and interpreted in accordance with such intent and Code Section 409A, although the Company provides no guarantee or warranty of such compliance or exemption. To the extent an Award granted under this Plan is considered to be "nonqualified deferred compensation" within the meaning of Code Section 409A, the terms and conditions of such Award are intended not to result in the imposition of penalties under Code Section 409A, and the Plan and Award Agreements shall be interpreted consistent with such intent. Notwithstanding anything herein to the contrary, any provision in the Plan that is inconsistent with Code Section 409A shall be deemed amended to comply with Code Section 409A, and to the extent such provision cannot be amended to comply therewith, such provision shall be null and void.

(m) Company Recoupment of Awards. A Grantee's rights with respect to any Award hereunder shall in all events be subject to (i) any right that the Company may have under any Company clawback or recoupment policy as may be in effect from time to time or any other clawback or recoupment agreement or arrangement applicable to a Grantee; or (ii) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission.

(n) Corporate Transactions. Nothing in the Plan shall be construed to limit the right of the Company to assume or cancel any awards made by any Person in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of such Person.

(o) Vesting. In the event that any stock-based award vests on a non-trading day, the per share price of the underlying shares of Stock shall be determined using the per share price on the business day immediately preceding such non-trading day.

3/12/2024

TRAVEL + LEISURE CO.
AWARD AGREEMENT – PERFORMANCE STOCK UNITS

This Award Agreement (this "Agreement"), dated as of March 12, 2024, is by and between Travel + Leisure Co., a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The PSU Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. PSU Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants a target number of Performance Share Units (PSUs) indicated on the Portal Page (the "PSU Award") to the Grantee. Upon the vesting of the PSU Award, as described in Paragraphs 3 and 4 below, the Company shall deliver, no later than March 15 of the calendar year following the calendar year in which all or portion of the PSU Award vests, for each PSU that vests, one share of Stock, subject to Paragraph 6 below.

3. Vesting. The PSU Award shall vest in accordance with the terms and conditions set forth in Exhibit A attached to this Award Agreement, subject to the Grantee's continuous employment with the Company or one of its Subsidiaries through the applicable vesting date.

Upon (a) a Change in Control occurring during the Grantee's continuous employment with the Company or one of its Subsidiaries, (b) the Grantee's termination of employment with the Company and its Subsidiaries by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of employment with the Company or one of its Subsidiaries, the PSU Award shall become immediately and fully vested at target, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

4. Retirement. Upon the Grantee's voluntary resignation from employment with the Company and its Subsidiaries by reason of Retirement (defined for this purpose as having attained age 62 with at least 10 years of service with Company and its Subsidiaries), and provided that the Grantee has furnished written notice to the Company at least three months in advance of the planned effective date of resignation by reason of Retirement, the PSU Award will remain outstanding and otherwise subject to the terms and conditions of this Agreement, and will vest and be paid on a pro rata basis (to the extent that the performance goals applicable to the PSU Award are achieved), with such proration to be determined based upon the portion of the full performance period during which the Grantee was employed by the Company and its Subsidiaries. Any shares of Stock earned pursuant to this PSU Award shall be delivered to the Grantee at the time they are delivered to other grantees generally and otherwise in accordance with Paragraph 2.

5. Termination of Employment. Notwithstanding any other provision of the Plan to the contrary and, if applicable, subject to the Grantee's written agreement of employment with the Company or one of its Subsidiaries, upon the termination of the Grantee's employment with the Company or one of its Subsidiaries for any reason whatsoever (other than the Grantee's death, Disability or Retirement), the PSU Award, to the extent not yet vested, shall immediately and automatically terminate.

6. No Rights to Continued Employment. Neither this Agreement nor the PSU Award shall be construed as giving the Grantee any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate such employment. Notwithstanding any other provision of the Plan, the PSU Award, this Agreement or any other agreement (written or oral) to the contrary, (a) for purposes of the Plan and the PSU Award, a termination of employment shall be deemed to have occurred on the date upon which the Grantee ceases to perform active employment duties for the Company and its Subsidiaries, without regard to any period of notice of termination of employment (whether expressed or implied) or any period of severance or salary continuation; and (b) the Grantee shall not be entitled (and by accepting the PSU Award, automatically and irrevocably waives any such entitlement), by way of compensation for loss of office or otherwise, to any sum or other benefit to compensate the Grantee for the loss of any rights under the Plan as a result of the termination or expiration of the PSU Award in connection with any termination of employment. No amounts earned pursuant to the Plan or any Award made under the Plan, including the PSU Award, shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its Subsidiaries.

7. Tax Obligations. As a condition to the granting of the PSU Award and the vesting thereof, the Grantee agrees to remit to the Company or any of its applicable Subsidiaries such sum as may be necessary to discharge the Company's or such Subsidiary's obligations with respect to any tax, assessment or other governmental charge imposed on property or income received by the Grantee pursuant to this Agreement and the PSU Award by having the Company automatically withhold upon any vesting of this PSU Award a sufficient number of the shares of Stock issuable upon such vesting so as to satisfy any such obligations.

8. Clawback. The PSU Award and any shares of Stock delivered pursuant to the PSU Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

9. No Advice Regarding Grant. The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

10. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

11. Authority. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any

such matter of interpretation or construction shall be final, binding and conclusive on all parties.

12. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the PSU Award until the issuance of shares of Stock to the Grantee in respect of the PSU Award; provided, however, that in the event the Board shall declare a dividend on the Stock while the PSU Award is outstanding, the Grantee shall be entitled to receive a dividend equivalent payment, payable in cash without interest on the vesting date of the PSU Award, with any such payment to be delivered in accordance with the timing described in Paragraph 2. The amount of any such dividend equivalent payment shall be determined by multiplying the per share amount of any such dividend declared by the Company while the PSU Award is outstanding by the number of shares earned pursuant to this PSU Award, as if such earned Shares had been outstanding since the Grant Date. All dividend equivalents shall be subject to the same terms and conditions as the PSU Award on which the dividend equivalents were credited.

13. Code Section 409A. Although the Company does not guarantee to the Grantee any particular tax treatment relating to the PSU Award, it is intended that the PSU Award be exempt from Code Section 409A, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its affiliates or subsidiaries be liable for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A.

14. Blackout Periods. The Grantee acknowledges that, from time to time, as determined by the Company in its sole discretion, the Company may establish "blackout periods" during which any shares received upon vesting of this Award may not be sold or transferred. The Company may establish a blackout period for any reason or for no reason.

15. Restrictive Covenants. The following restrictive covenants will apply to the Grantee ("Restrictions"):

(a) During employment with the Company or one of its Subsidiaries, the Grantee agrees that Grantee will not: (i) work for, or be engaged by, or otherwise be involved in, any company or organization whose business is similar to or in competition with the Company's timeshare business or (ii) solicit or induce, directly or indirectly, or take any action to assist any entity, directly or indirectly, in soliciting or inducing, any employee of the Company or one of its Subsidiaries to leave the employment of the Company or one of its Subsidiaries except as may be required as part of Grantee's duties for the Company or one of its Subsidiaries ("Induce Departures"). At no time during or after the Grantee's employment with the Company shall the Grantee use the Company's trade secrets to compete with the Company including to solicit any of the Company's employees or customers to compete with the Company.

(b) If the Grantee is a U.S. employee and is not employed or does not reside in California, the following post-employment Restrictions apply to the Grantee. For a period of 12 months following Grantee's employment termination for any reason:

(i) the Grantee will not Induce Departures or attempt to Induce Departures, or hire, or assist in the hire, directly or indirectly, of any individual whose employment by the Company or one of its Subsidiaries ended within twelve months preceding that individual's hire or attempted hire by the Grantee or by any successor employer (This post employment non-solicitation restriction shall not apply with respect to employment by the Grantee in

California unless such activity involves the use of information deemed confidential or proprietary, as defined in the Company's Code of Conduct, as may be amended from time to time ("Confidential Information"); or

(ii) the Grantee will not, anywhere within the Geographic Scope (as defined below), directly or indirectly, for or by the Grantee, or through, on behalf of, or in conjunction with any other person or entity: (a) own, maintain, finance, operate, invest or engage in any business that competes with the Company's timeshare business ("Competitor"); or (b) provide services, either as an employee, consultant, agent, or otherwise, to any Competitor. The Grantee may, however, invest in publicly traded a Competitor provided that such ownership interest does not exceed 5% of the voting control of such entity. This post-employment non-competition restriction shall not apply with respect to employment by the Grantee in California or Massachusetts unless such activity involves the use of information deemed confidential or proprietary, as defined in the Company's Code of Conduct, as may be amended from time to time ("Confidential Information"). The term "Geographic Scope" means: (1) North America (which includes the United States, Canada, Mexico and the Caribbean); and (2) if the Grantee has global job responsibilities, those countries that are within the scope of the Grantee's job responsibilities in the two years preceding the date of the Grantee's employment termination. This non-competition restriction shall not apply to any employee of the Company or one of its Subsidiaries who is licensed to practice law in any state in the United States and who joins a competing business for the purpose of providing legal advice to the competing business.

(c) Acknowledgements and Representations. The Grantee agrees that if the Grantee's employment were to terminate, the Grantee could earn a living while complying with the Restrictions; the Restrictions are reasonable and necessary to protect the Company's legitimate interest in its Confidential Information, customer relationships, and investment in developing its employees; and that the rights and obligations under this Paragraph 15 shall survive the termination of the Grantee's service with the Company or one of its Subsidiaries.

(d) Waiver. The Company may waive any of the Restrictions or any breach in circumstances that it determines do not adversely affect its interests, but only in a writing signed by the Chief Human Resources Officer or his or her delegate. No waiver of any one breach of the Restrictions set forth herein will be deemed a waiver of any other breach.

(e) Restrictions Separable and Divisible. The Grantee acknowledges and accepts the Restrictions herein to the maximum extent permissible under applicable law. If any of the Restrictions is held to cover a geographic area or a length of time which is not permitted by applicable law, or is in any way construed to be too broad or invalid, such provision shall not be construed to be null and void, but instead a court of competent jurisdiction shall construe and interpret or reform these Restrictions to provide for a covenant having the maximum enforceable geographic area, time period and other provisions (not greater than those contained herein) as shall be valid and enforceable under such applicable law.

(f) Remedies. In addition to other remedies allowed by law, if the Grantee breaches any of the Restrictions, the Grantee will immediately lose the right to receive any and all amounts payable under this Agreement including without limitation any amounts that have been paid to the Grantee during the 12 month period preceding the date of the breach. The Grantee acknowledges that the amount of damages that would derive from the breach of any Restriction is not readily ascertainable and agrees that in the event of breach of any of the Restrictions, in addition to forfeiture of benefits, monetary damages and/or reasonable attorney's fees, the Company will have the right to seek injunctive and/or other equitable relief in any court of competent jurisdiction to enforce the Restrictions. The

Grantee consents to the issue of a temporary restraining order to maintain the status quo pending the outcome of any proceeding.

16. Confidentiality. Grantee agrees that he/she has not and will not disclose, directly or indirectly, in whole or in part, any confidential and proprietary Information of the Company or its subsidiaries. Grantee acknowledges that he/she has complied and will continue to comply with this commitment, both as an employee and after the termination of his/her employment with the Company or its subsidiaries. Grantee also acknowledges his/her continuing confidentiality obligations under the Company's Code of Conduct to the extent permitted by law.

17. Succession and Transfer. Each and all of the provisions of this Agreement, including Paragraph 14, are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

18. Electronic Delivery and Acceptance. The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. The Grantee and the Company hereby expressly agree that the use of electronic media to indicate confirmation, consent, signature, acceptance, agreement and delivery shall be legally valid and have the same legal force and effect as if the Grantee and the Company executed this Agreement in paper form.

19. No Assignment; Nontransferability. This Agreement (and the PSU Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of employment by reason of death, the PSU Award and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

20. Notices. Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's employment records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

21. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

22. Severability. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

23. Governing Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Florida, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the PSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Florida where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the Middle District of Florida, or if jurisdiction does not exist in such federal court, the state courts in Orange County, Florida.

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

Travel + Leisure Co.

Michael D. Brown Chief Executive Officer

3/12/2024

TRAVEL + LEISURE CO.
AWARD AGREEMENT – RESTRICTED STOCK UNITS

This Award Agreement (this "Agreement"), dated as of March 12, 2024 ("Grant Date"), is by and between Travel + Leisure Co., a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The RSU Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. RSU Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants the number of Restricted Stock Units ("RSUs") indicated on the Portal Page (the "RSU Award") to the Grantee. Upon the vesting of the RSU Award, as described in Paragraphs 3 and 4 below, the Company shall deliver, no later than March 15 of the calendar year following the calendar year in which all or portion of the RSU Award vests, for each RSU that vests, one share of Stock, subject to Paragraph 6 below.

3. Vesting. The RSU Award shall vest in accordance with the following schedule, subject to the Grantee's continuous employment with the Company or one of its Subsidiaries through each applicable vesting date.

Vesting Date	Vesting RSUs
3/15/2025	25%
3/15/2026	25%
3/15/2027	25%
3/15/2028	25%

Upon (a) a Change in Control occurring during the Grantee's continuous employment with the Company or one of its Subsidiaries, (b) the Grantee's termination of employment with the Company and its Subsidiaries by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of employment with the Company or one of its Subsidiaries, the RSU Award shall become immediately and fully vested, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

4. Retirement. Upon the Grantee's voluntary resignation from employment with the Company and its Subsidiaries by reason of Retirement (defined for this purpose as having attained age 62 with at least 10 years of service with Company and its Subsidiaries) and provided that the Grantee furnished written notice to the Company at least three months in advance of the planned effective date of resignation by reason of Retirement, the

RSU Award shall remain outstanding and continue to vest in accordance with Paragraph 3 above and shall otherwise remain subject to the terms and conditions of this Agreement.

5. Termination of Employment. Notwithstanding any other provision of the Plan to the contrary and, if applicable, subject to the Grantee's written agreement of employment with the Company or one of its Subsidiaries, upon the termination of the Grantee's employment with the Company or one of its Subsidiaries for any reason whatsoever (other than the Grantee's death, Disability or Retirement), the RSU Award, to the extent not yet vested, shall immediately and automatically terminate.

6. No Rights to Continued Employment. Neither this Agreement nor the RSU Award shall be construed as giving the Grantee any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate such employment. Notwithstanding any other provision of the Plan, the RSU Award, this Agreement or any other agreement (written or oral) to the contrary, (a) for purposes of the Plan and the RSU Award, a termination of employment shall be deemed to have occurred on the date upon which the Grantee ceases to perform active employment duties for the Company and its Subsidiaries, without regard to any period of notice of termination of employment (whether expressed or implied) or any period of severance or salary continuation; and (b) the Grantee shall not be entitled (and by accepting the RSU Award, automatically and irrevocably waives any such entitlement), by way of compensation for loss of office or otherwise, to any sum or other benefit to compensate the Grantee for the loss of any rights under the Plan as a result of the termination or expiration of the RSU Award in connection with any termination of employment. No amounts earned pursuant to the Plan or any Award made under the Plan, including the RSU Award, shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its Subsidiaries.

7. Tax Obligations. As a condition to the granting of the RSU Award and the vesting thereof, the Grantee agrees to remit to the Company or any of its applicable Subsidiaries such sum as may be necessary to discharge the Company's or such Subsidiary's obligations with respect to any tax, assessment or other governmental charge imposed on property or income received by the Grantee pursuant to this Agreement and the RSU Award by having the Company automatically withhold upon any vesting of this RSU Award a sufficient number of the shares of Stock issuable upon such vesting so as to satisfy any such obligations.

8. Clawback. The RSU Award and any shares of Stock delivered pursuant to the RSU Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

9. No Advice Regarding Grant. The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

10. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

11. Authority. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive on all parties.

12. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the RSU Award until the issuance of shares of Stock to the Grantee in respect of the RSU Award; provided, however, that in the event the Board shall declare a dividend on the Stock, a dividend equivalent equal to the per share amount of such dividend shall be credited on all RSUs underlying the RSU Award and outstanding on the record date for such dividend, such dividend equivalents to be payable in cash without interest on the vesting date of the RSUs on which the dividend equivalents were credited and such payment shall be delivered in accordance with the timing described in Paragraph 2. Any such dividend equivalents shall be subject to the same terms and conditions as the RSUs on which the dividend equivalents were credited.

13. Code Section 409A. Although the Company does not guarantee to the Grantee any particular tax treatment relating to the RSU Award, it is intended that the RSU Award be exempt from Code Section 409A, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its affiliates or subsidiaries be liable for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A.

14. Blackout Periods. The Grantee acknowledges that, from time to time, as determined by the Company in its sole discretion, the Company may establish "blackout periods" during which any shares received upon vesting of this Award may not be sold or transferred. The Company may establish a blackout period for any reason or for no reason.

15. Restrictive Covenants. The following restrictive covenants will apply to the Grantee ("Restrictions"):

(a) During employment with the Company or one of its Subsidiaries, the Grantee agrees that Grantee will not: (i) work for, or be engaged by, or otherwise be involved in, any company or organization whose business is similar to or in competition with the Company's timeshare business or (ii) solicit or induce, directly or indirectly, or take any action to assist any entity, directly or indirectly, in soliciting or inducing, any employee of the Company or one of its Subsidiaries to leave the employment of the Company or one of its Subsidiaries except as may be required as part of Grantee's duties for the Company or one of its Subsidiaries ("Induce Departures"). At no time during or after the Grantee's employment with the Company shall the Grantee use the Company's trade secrets to compete with the Company including to solicit any of the Company's employees or customers to compete with the Company.

(b) If the Grantee is a U.S. employee and is not employed or does not reside in California, the following post-employment Restrictions apply to the Grantee. For a period of 12 months following Grantee's employment termination for any reason:

(i) the Grantee will not Induce Departures or attempt to Induce Departures, or hire, or assist in the hire, directly or indirectly, of any individual whose employment by the Company or one of its Subsidiaries ended within twelve months preceding that individual's hire or attempted hire by the Grantee or by any successor employer (This post-employment non-solicitation restriction shall not apply with respect to

employment by the Grantee in California unless such activity involves the use of information deemed confidential or proprietary, as defined in the Company's Code of Conduct, as may be amended from time to time ("Confidential Information"); or

(ii) the Grantee will not, anywhere within the Geographic Scope (as defined below), directly or indirectly, for or by the Grantee, or through, on behalf of, or in conjunction with any other person or entity: (a) own, maintain, finance, operate, invest or engage in any business that competes with the Company's timeshare business ("Competitor"); or (b) provide services, either as an employee, consultant, agent, or otherwise, to any Competitor. The Grantee may, however, invest in publicly traded a Competitor provided that such ownership interest does not exceed 5% of the voting control of such entity. This post-employment non-competition restriction shall not apply with respect to employment by the Grantee in California or Massachusetts unless such activity involves the use of information deemed confidential or proprietary, as defined in the Company's Code of Conduct, as may be amended from time to time ("Confidential Information"). The term "Geographic Scope" means: (1) North America (which includes the United States, Canada, Mexico and the Caribbean); and (2) if the Grantee has global job responsibilities, those countries that are within the scope of the Grantee's job responsibilities in the two years preceding the date of the Grantee's employment termination. This non-competition restriction shall not apply to any employee of the Company or one of its Subsidiaries who is licensed to practice law in any state in the United States and who joins a competing business for the purpose of providing legal advice to the competing business.

(c) Acknowledgements and Representations. The Grantee agrees that if the Grantee's employment were to terminate, the Grantee could earn a living while complying with the Restrictions; the Restrictions are reasonable and necessary to protect the Company's legitimate interest in its Confidential Information, customer relationships, and investment in developing its employees; and that the rights and obligations under this Paragraph 15 shall survive the termination of the Grantee's service with the Company or one of its Subsidiaries.

(d) Waiver. The Company may waive any of the Restrictions or any breach in circumstances that it determines do not adversely affect its interests, but only in writing signed by the Chief Human Resources Officer or his or her delegate. No waiver of any one breach of the Restrictions set forth herein will be deemed a waiver of any other breach.

(e) Restrictions Separable and Divisible. The Grantee acknowledges and accepts the Restrictions herein to the maximum extent permissible under applicable law. If any of the Restrictions is held to cover a geographic area or a length of time which is not permitted by applicable law, or is in any way construed to be too broad or invalid, such provision shall not be construed to be null and void, but instead a court of competent jurisdiction shall construe and interpret or reform these Restrictions to provide for a covenant having the maximum enforceable geographic area, time period and other provisions (not greater than those contained herein) as shall be valid and enforceable under such applicable law.

(f) Remedies. In addition to other remedies allowed by law, if the Grantee breaches any of the Restrictions, the Grantee will immediately lose the right to receive any and all amounts payable under this Agreement including without limitation any amounts that have been paid to the Grantee during the 12 month period preceding the date of the breach. The Grantee acknowledges that the amount of damages that would derive from the breach of any Restriction is not readily ascertainable and agrees that in the event of breach of any of the Restrictions, in addition to forfeiture of benefits, monetary damages and/or reasonable attorney's fees, the Company will have the right to seek injunctive and/or other equitable relief in any court of competent jurisdiction to enforce the Restrictions. The

Grantee consents to the issue of a temporary restraining order to maintain the status quo pending the outcome of any proceeding.

16. Confidentiality. Grantee agrees that he/she has not and will not disclose, directly or indirectly, in whole or in part, any confidential and proprietary Information of the Company or its subsidiaries. Grantee acknowledges that he/she has complied and will continue to comply with this commitment, both as an employee and after the termination of his/her employment with the Company or its subsidiaries. Grantee also acknowledges his/her continuing confidentiality obligations under the Company's Code of Conduct to the extent permitted by law.

17. Succession and Transfer. Each and all of the provisions of this Agreement, including Paragraph 15, are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

18. Electronic Delivery and Acceptance. The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. The Grantee and the Company hereby expressly agree that the use of electronic media to indicate confirmation, consent, signature, acceptance, agreement and delivery shall be legally valid and have the same legal force and effect as if the Grantee and the Company executed this Agreement in paper form.

19. No Assignment; Nontransferability. This Agreement (and the RSU Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of employment by reason of death, the RSU Award and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

20. Notices. Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's employment records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

21. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

22. Severability. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

23. Governing Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Florida, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Florida where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the Middle District of Florida, or if jurisdiction does not exist in such federal court, the state courts in Orange County, Florida.

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

Travel + Leisure Co.

Michael D. Brown Chief Executive Officer

AGREEMENT AND GENERAL RELEASE

TRAVEL + LEISURE CO. (formerly known as Wyndham Destinations, inc.) and its affiliates and subsidiaries, including but not limited to RCI, LLC (the "Company") and **OLIVIER CHAVY**, (hereinafter collectively with his/her heirs, executors, administrators, successors and assigns, "**CHAVY**"), mutually desire to enter into this Agreement and General Release, dated February 13, 2024, (the "Agreement Date"), and agree that:

The terms of this Agreement and General Release are the products of mutual negotiation and compromise between **CHAVY** and the Company; and

CHAVY fully understands the meaning, effect and terms of this Agreement and General Release; and

CHAVY is hereby advised, in writing, by the Company that he/she should consult with an attorney prior to executing this Agreement and General Release; and

CHAVY is being afforded at least sixty (60) days from the date **CHAVY** receives this Agreement and General Release to consider the meaning and effect of this Agreement and General Release; provided that **CHAVY** understands and agrees that **CHAVY** cannot execute this Agreement and General Release prior to the Last Date of Employment (as defined below); and

CHAVY understands that he/she may revoke this Agreement and General Release for a period of seven (7) calendar days following the day he/she executes this Agreement and General Release, and this Agreement and General Release shall not become effective or enforceable until the revocation period has expired, and no revocation has occurred prior to expiration of the revocation period. Any revocation within this period must be submitted, in writing, to the Company and state, "I hereby revoke my acceptance of the Agreement and General Release." Said revocation must be personally delivered, mailed, emailed or faxed to the Company or its designee, and in each case, received by the Company within seven (7) calendar days of execution of this Agreement and General Release; otherwise, the effective date of this Agreement and General Release shall be the 8th calendar day after **CHAVY** executes this Agreement and General Release or his Last Day of Employment as defined below, whichever is later ("Effective Date"); and

CHAVY has carefully considered other alternatives to executing this Agreement and General Release.

THEREFORE, **CHAVY** and the Company, for the full and sufficient consideration set forth below, agree as follows:

1. **CHAVY** agrees to remain employed in good standing with RCI, LLC through the last day of employment on February 20, 2024, subject to change by the Company ("Last Date of Employment" or "Termination Date"). Effective as of February 20, 2024, **CHAVY** acknowledges he shall cease serving as an officer, director or fiduciary of the Company and any Company-related entity. Other than as set forth below and in his Letter Agreement dated February 7, 2019 ("2019 Letter Agreement"), **CHAVY** shall not be eligible for or entitled to any other compensation or benefits from the Company following the Last Date of Employment.

2. In accordance with the 2019 Letter Agreement and in consideration for the execution and non-revocation by **CHAVY** of this Agreement and General Release and compliance with the promises made herein, the Company agrees:

- a. **CHAVY** will receive the following Severance: \$2,403,331.30 in severance pay subject to applicable deductions for taxes, benefits or other amounts required by law. 401(k) contributions will not be deducted from your severance pay. This payment represents 200% of your base salary plus an amount equal to your target annual bonus (the amount referenced in the 2019 Letter Agreement).

This payment is subject to, and contingent upon, your execution and non-revocation of the Agreement and General Release within 60 days following the Last Day of Employment. If this condition is satisfied, such payment will be made in the form of a cash lump sum payment in the first payroll period following the Effective Date.

- b. The Company will provide **CHAVY** with a favorable reference which is truthful and consistent with the performance reviews of **CHAVY** during his employment with the Company. General inquiries as to the dates of **CHAVY's** employment and his/her most recent job title can be directed to The Work Number at 1-800-996-7566. . Last salary will be provided if **CHAVY** has provided a written release for the same.
 - c. For the avoidance of doubt and except those identified in his Letter Agreement as set forth below, **CHAVY** is not entitled to any future Company incentive awards or equity rights that may otherwise be provided to officers or employees of the Company after the Agreement Date.
 - d. To the extent he/she is currently participating therein, **CHAVY** shall continue to be eligible to participate in the Company's Officer Deferred Compensation Plan and/or 401(k) Plan up to and including the Last Date of Employment, in accordance with and subject to the terms thereof.
 - e. **CHAVY** shall continue to be eligible to participate in the Company health plan in which he/she currently participates through the end of the month in which the Last Date of Employment occurs. Regardless of whether **CHAVY** signs this Agreement, following the Last Date of Employment, **CHAVY** may elect to continue health plan coverage in accordance with and subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act or any similar state or local law. Should **CHAVY** elect to continue his health care coverage after the last day of employment, **CHAVY** will receive up to eighteen (18) months of health benefits (paid directly by the Company to its benefits provider on your behalf) from the coverage commencement date to the date, if any, on which **CHAVY** becomes eligible for and enrolls in health and medical benefits from a subsequent employer.
 - f. Through and until March 1, 2024, **CHAVY** shall be eligible to continue to use the vehicle provided to him/her through the Company's executive car lease program in which he/she currently participates, upon the same terms as currently are in effect for him/her. **CHAVY** shall have the option to purchase the vehicle on March 1, 2024 in accordance with and subject to the terms of such executive car
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lease program. If **CHAVY** chooses not to purchase the vehicle, **CHAVY** shall relinquish the vehicle to the Company's Human Resources Department on or before March 1, 2024.

3. Other than the accelerated vesting referenced in the Letter Agreement and referenced in this Section 3, nothing contained herein shall affect the terms of restricted stock shares previously awarded to **CHAVY**, if any, previously awarded under the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, as amended from time to time ("Plan") which shall continue to be governed under the terms and conditions of the Plan. Attached hereto as Exhibit A is a true, correct and complete list of the foregoing restricted stock shares previously awarded to Chavy and the other long-term incentive awards referenced herein. Except for the foregoing, all other outstanding, unvested award amounts will be forfeited or will hereto All other outstanding, unvested award amounts will be forfeited or will lapse as of **CHAVY'S** Last Date of Employment.

i. CHAVY will be eligible to vest in and be paid a pro-rata portion of any performance based long-term incentive awards (excluding stock options and stock appreciation rights) that he may hold on February 20, 2024, with such pro-ration based upon the portion of the full performance period during which he was employed by the Company plus twelve (12) months (or, if less, assuming continued employment for the entire performance period remaining after February 20, 2024); provided that the performance goals applicable to the performance-based long-term incentive award are achieved. Payment of any such vested performance-based long-term incentive award will occur at the same time that such performance-based long-term incentive awards are paid to actively-employed employees. generally; and

ii. All long-term incentive awards that are not subject to performance-based vesting and that would have otherwise vested within the twelve (12)-month period following February 20, 2024 will become vested at that time, and any such long-term incentive awards which are stock options or stock appreciation rights will remain outstanding for a period of two (2) years (but not beyond the original expiration date) following February 20, 2024.

4. **CHAVY** understands and agrees that he/she would not receive the Severance referenced in Paragraph 2 above, except for his/her execution and non-revocation of this Agreement and General Release, and the fulfillment of the promises contained herein.

5. Subject to Section 7, **CHAVY**, on behalf of himself/herself and his/her heirs, executors, administrators, successors, and assigns, of his/her own free will, knowingly and voluntarily releases and forever discharges the Company and its affiliates and subsidiaries, and each of its and their past, present and future parent entities, subsidiaries, affiliates, divisions, joint ventures, directors, members, officers, executives, employees, agents, representatives, attorneys and stockholders, and any and all employee benefit plans maintained by any of the above entities and their respective plan administrators, committees, trustees and fiduciaries individually and in their representative capacities, and its and their respective predecessors, successors and assigns (both individually and in their representative capacities) (collectively referred to throughout this Agreement and General Release as the "Released Parties"), of and from any and all actions, causes of action, suits, claims, cross-claims, counter-claims, charges, complaints, controversies, actions, promises, demands, debts, and contracts (whether oral or written, express or implied from any source), of any nature whatsoever, in law or equity, known

or unknown, suspected or unsuspected (each a "Claim"), which **CHAVY** ever had, now has or hereafter can, shall or may have by reason of any matter, cause or thing whatsoever arising from the beginning of time to the time **CHAVY** executes this Agreement and General Release against the Released Parties, including, but not limited to:

- a. any and all matters arising out of his/her employment by the Company or any of the Released Parties and the cessation of said employment, and including, but not limited to, any Claims for compensation or benefits, including salary, bonuses, equity awards, severance pay, or vacation pay;
- b. arising out of any agreement with any Released Party;
- c. arising from or in any way related to awards, policies, plans, programs or practices of any Released Party that may apply to **CHAVY** or in which **CHAVY** may participate;
- d. any Claims under the National Labor Relations Act ("NLRA"), the Age Discrimination in Employment Act of 1967 ("ADEA") as amended by the Older Workers Benefit Protection Act ("OWBPA"), Title VII of the Civil Rights Act of 1964 ("Title VII"), Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974 ("ERISA") (except for vested benefits which are not affected by this Agreement and General Release), the Americans With Disabilities Act of 1990, as amended ("ADA"), the Fair Labor Standards Act ("FLSA"), the Occupational Safety and Health Act ("OSHA"), the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Federal Family and Medical Leave Act ("FMLA"), the Federal Worker Adjustment Retraining Notification Act or any similar state or local law ("WARN"), the Genetic Information Nondiscrimination Act of 2008, the Uniformed Services Employment and Reemployment Rights Act ("USERRA"); and;
- e. Florida Civil Rights Act; Florida Whistleblower's Act; Florida Statutory Provision Regarding Retaliation/Discrimination for Filing a Workers Compensation Claim; Florida Wage Discrimination Law; Florida Equal Pay Law; Florida AIDS Act; Florida Discrimination on the Basis of Sickle Cell Trait Law; Florida OSHA; Florida Wage Payment Laws; Florida's Domestic Violence Leave Law; Florida's Preservation and Protection of the Right to Keep and Bear Arms in Motor Vehicles Act of 2008; and
- f. any other federal, state or local civil or human rights law, or any other alleged violation of any local, state or federal law, act, statute, code, order, judgment, injunction, ruling, decree, writ, regulation or ordinance, and/or public policy, implied or expressed contract, fraud, negligence, estoppel, defamation, infliction of emotional distress or other tort or common-law Claim having any bearing whatsoever on the terms and conditions and/or cessation of his/her employment with the Company including, but not limited to, any allegations for compensatory damages, punitive or exemplary damages, penalties or liquidated damages, losses, liabilities, costs, fees, or other expenses, including reasonable attorneys' fees, incurred in these matters.

CHAVY understands that **CHAVY** may later discover Claims or facts that may be different than, or in addition to, those which **CHAVY** now knows or believes to exist with regards to the subject

matter of this Agreement and General Release and the releases in this Paragraph 5, and which, if known at the time of executing this Agreement and General Release, may have materially affected this Agreement and General Release or **CHAVY'S** decision to enter into it. **CHAVY** hereby waives any right or Claim that might arise as a result of such different or additional claims or facts.

6. **CHAVY** also acknowledges that **CHAVY** does not have any current charge against any of the Released Parties pending before any local, state or federal agency regarding his/her

employment or termination thereof. **CHAVY** represents that **CHAVY** has made no assignment or transfer of any right or Claim covered by this Agreement and General Release and **CHAVY** agrees that he/she is not aware of any such right or Claim. This Paragraph 6 shall in all respects be subject to Paragraph 15 herein.

7. Nothing in this Agreement and General Release shall release or impair (a) any right that cannot be waived by private agreement under law, including, but not limited to, any Claims for workers' compensation or unemployment insurance benefits; (b) any vested rights under any pension, deferred compensation, or 401(k) plan; (c) any right to enforce this Agreement and (d) any right of **CHAVY** to indemnification or corresponding insurance coverage with respect to Claims arising out of or relating to **CHAVY's** service to the Company as an officer or employee. Company and **CHAVY** acknowledge that **CHAVY** cannot waive his/her right to file a charge, testify, assist, or participate in any manner in an investigation, hearing, or proceeding under the federal civil rights laws or federal whistleblower laws. Therefore, notwithstanding the provisions set forth herein, nothing contained in this Agreement and General Release is intended to nor shall it prohibit **CHAVY** from filing a charge with, or providing information to, the United States Equal Employment Opportunity Commission ("EEOC") or other federal, state or local agency or from participating or cooperating in any investigation or proceeding conducted by the EEOC or other administrative body or governmental agency. With respect to a Claim for employment discrimination brought to the EEOC or state/local equivalent agency enforcing civil rights laws, **CHAVY** waives any right to personal injunctive relief and to personal recovery, damages, and compensation of any kind payable by any Released Party with respect to the Claims released in this Agreement and General Release as set forth in herein to the fullest extent permitted by law. This Paragraph 7 shall in all respects be subject to Paragraph 15 herein.

8. **CHAVY** affirms that he/she has not provided, either directly or indirectly, any information or assistance to any non-governmental party who may be considering or is taking legal action against the Released Parties. **CHAVY** understands that if this Agreement and General Release were not signed, he/she would have the right to voluntarily provide information or assistance to any non-governmental party who may be considering or is taking legal action against the Released Parties. **CHAVY** hereby waives that right and agrees that he/she will not provide any such assistance other than the assistance in an investigation or proceeding conducted by the EEOC or other federal, state or local agency, or pursuant to a valid subpoena or court order. This Paragraph 8 shall in all respects be subject to Paragraph 15 herein.

9. Except as provided in Paragraph 2 and Paragraph 3 herein, **CHAVY** acknowledges and agrees that he/she is not entitled to any other severance payments or benefits under any other severance plan, arrangement, agreement or program of the Company or its parent entities, affiliates or subsidiaries or any of their respective predecessors, successors and/or assigns.

10. **CHAVY** agrees not to disclose, either directly or indirectly, any information whatsoever regarding the existence or substance of this Agreement and General Release including specifically any of the terms of the payment hereunder; provided, however, that the foregoing shall not be construed to prevent disclosure as may be required by applicable law or regulation (including without limitation securities rules and regulations, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. This nondisclosure includes, but is not limited to, members of the media and other members of the public, but does not include an attorney, accountant, financial advisor, family member or representative whom **CHAVY** chooses to consult or seek advice regarding his/her consideration of and decision to execute this Agreement and General Release. This Agreement and General Release shall not be admissible in any proceeding except to enforce the terms herein. In response to inquiries from individuals other than an attorney, accountant, family member or representative, **CHAVY** shall only respond, "I have satisfactorily resolved all of my differences with the Company." In the event of disclosure, except pursuant to lawful court order or subpoena, the Company has the right to institute an action against **CHAVY** for all available relief. This Paragraph 10 shall in all respects be subject to Paragraph 15 herein.

11. **CHAVY** represents that he/she has not and agrees that he/she will not communicate to any third party any defamatory or disparaging remarks, comments, or statements concerning the Company or any Released Party, their current and former officers, directors and employees, or make, solicit or cause to be made or solicited any such defamatory or disparaging comments, statements, or the like to the media or to others, subject in all respects to Paragraph 15 herein. This Section 11 does not prevent Chavy from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

12. **CHAVY** acknowledges that in connection with his/her employment, **CHAVY** has had access to information of a nature not generally disclosed to the public. **CHAVY** agrees to keep confidential and not use or disclose to anyone, unless legally compelled to do so, Confidential and Proprietary Information. "Confidential and Proprietary Information" includes but is not limited to all information not generally known to the public and that is treated as confidential and proprietary relating directly or indirectly to the Company's or any Released Party's business and strategic plans, financial details, computer programs, manuals, contracts, current and prospective client and supplier lists, and all other documentation, business knowledge, data, material, property and supplier lists, and developments owned, possessed or controlled by the Company or any Released Party, regardless of whether possessed or developed by **CHAVY** in the course of his/her employment. Such Confidential and Proprietary Information may or may not be designated as confidential or proprietary and may be oral, written or electronic media. **CHAVY** understands that such information is owned and shall continue to be owned solely by the Released Parties. **CHAVY** agrees that he/she has not and will not use or disclose, directly or indirectly, in whole or in part, any Confidential and Proprietary Information. **CHAVY** acknowledges that he/she has complied and will continue to comply with this commitment, both as an employee and after the termination of his/her employment. **CHAVY** also acknowledges his/her continuing obligations under the Company's Business Principles and/or the Code of Conduct. This Paragraph 12 shall in all respects be subject to Paragraph 15 herein.

13. **CHAVY** acknowledges and confirms that as of the Last Day of Employment, he will have returned all company property to the Company (except the Company vehicle, which shall be subject to Paragraph 2.f), including, but not limited to, all Company Confidential and

Proprietary Information in his/her possession, regardless of the format and no matter where maintained. **CHAVY** also certifies that all electronic files residing or maintained on any personal computer devices (thumb drives, personal computers or otherwise) will be returned and no copies retained. **CHAVY** also has returned or will return on or before the Last Date of Employment his/her identification card, work-related passwords and computer hardware and software, all paper or computer based files, business documents, and/or other Business Records or Office Documents as defined in the Company's Document Management Program, as well as all copies thereof, credit and procurement cards, keys and any other Company supplies or equipment in his/her possession. In addition, **CHAVY** confirms that any business related expenses for which he/she seeks or will seek reimbursement have been documented and submitted to the Company or will be so documented and submitted to the Company on or before the Last Day of Employment. Finally, any amounts owed to the Company have been paid. This Paragraph 13 shall in all respects be subject to Paragraph 15 herein.

14. Subject to payment of the severance and other benefits payable to **CHAVY** under Paragraphs 2 and 3, **CHAVY** agrees that for a period of one year following the Last Date of Employment, he shall not (and shall not attempt to), directly or indirectly:

- a. provide advice to, solicit, take away, or divert, and/or influence or attempt to influence any customers, clients, and/or patrons of the Company or any of its successors or assigns for purposes of engaging in a timeshare/vacation ownership or timeshare exchange business competitive with the Company;
- b. solicit or induce any employee of the Company or any of its successors or assigns to leave the employ of the Company or any of its successors or assigns or take any action to assist any subsequent employer or any other entity in soliciting or inducing any other employee of the Company or any of its successors or assigns to leave the employ of the Company or any of its successors or assigns;
- c. hire, engage or employ, or assist in the hire, engagement or employment of, any individual employed by the Company or any of its successors or assigns;

CHAVY agrees and acknowledges that the period of time of the Restrictive Covenants imposed by this Agreement is fair, and reasonable and necessary under the circumstances and is reasonably required for the protection of the Company.

15. **CHAVY** also acknowledges that in the event he/she breaches any part of paragraphs 6, 7, 8, 9, 10, 11, 12, 13 or 14 herein, the damages to the Company would be irreparable. Therefore, in addition to monetary damages and/or reasonable attorney fees, the Company shall be entitled to injunctive and/or other equitable relief in any court of competent jurisdiction to enforce the respective covenants contained in this Agreement and General Release without posting a bond. Furthermore, **CHAVY** consents to the issuance of a temporary restraining order to maintain the status quo pending the outcome of any proceeding.

16. Nothing contained in this Agreement and General Release or in any other agreement between the parties or any other policies of the Company or its affiliates is intended to nor shall it limit or prohibit **CHAVY**, or waive any right on his/her part, to initiate or engage in communication with, respond to any inquiry from, otherwise provide information to, participate in, cooperate in, testify in, or obtain any monetary recovery from, any federal or state regulatory,

self-regulatory, or enforcement agency or authority, as provided for, protected under or warranted by applicable law, in all events without notice to or consent of the Company.

17. **CHAVY** agrees to cooperate with and make himself/herself readily available to the Company, or any of its successors, assigns, Released Parties, or its or their General Counsel, as the Company may reasonably request, to assist in any matter, including giving truthful testimony in any litigation or potential litigation, over which **CHAVY** may have knowledge or information obtained in connection with his service to the Company as an officer or employee. The Company agrees to reimburse **CHAVY** for any reasonable out-of-pocket expenses incurred by **CHAVY** by reason of such cooperation, including travel expenses incurred at the request of the Company and any loss of salary due (based on verifiable documentation), to the extent permitted by law, and the Company will make reasonable efforts to minimize interruption and disruption of **CHAVY'S** life and work in connection with his cooperation in such matters as provided for in this paragraph. **CHAVY** acknowledges that his/her agreement to this provision is a material inducement to the Company to enter into this Agreement and General Release and to pay the consideration described in paragraph 2.

18. **CHAVY** acknowledges and agrees that in the event **CHAVY** has been reimbursed for business expenses, but has failed to pay his/her American Express bill related to such reimbursed expenses, the Company has the right and is hereby authorized to deduct the amount of any unpaid American Express Business Card bill from the severance payments or otherwise suspend severance payments in an amount equal to the unpaid business expenses without being in breach of this Agreement and General Release.

19. This Agreement and General Release is made in the State of **FLORIDA** and shall be interpreted under the laws of said State. Its language shall be construed as a whole, according to its fair meaning, and not strictly for or against either party. The Company and **CHAVY** agree that any action between **CHAVY** and the Company shall be resolved exclusively in a federal or state court in **FLORIDA**, and the Company and **CHAVY** hereby consent to such jurisdiction and waive any objection to the jurisdiction of any such court. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY. Should any provision of this Agreement and General Release be declared illegal or unenforceable by any court of competent jurisdiction, such provision shall be modified to be enforceable to the maximum extent permitted by law; provided, however, that if any provision cannot be modified to be enforceable, including the general release language, such provision shall immediately become null and void, leaving the remainder of this in full force and effect. Upon such determination that any term or other provision of this Agreement and General Release is invalid, illegal or unenforceable, this Agreement and General Release shall be enforceable as closely as possible to its original intent, which is to provide the Released Parties with a full release of all legally releasable Claims through the date upon which **CHAVY** executes this Agreement and General Release. However, if as a result of any action initiated by **CHAVY**, any portion of the general release language were ruled to be unenforceable for any reason, the Company may request that **CHAVY** promptly return the consideration paid hereunder to the Company.

20. **CHAVY** agrees that neither this Agreement and General Release nor the furnishing of the consideration for this Agreement and General Release shall be deemed or construed at any time for any purpose as an admission by the Company of any liability or unlawful conduct of any kind, all of which the Company denies.

21. This Agreement and General Release may not be modified, altered or changed except upon express written consent of both the Company and **CHAVY** wherein specific reference is made to this Agreement and General Release. **CHAVY** shall not assign any rights, or delegate or subcontract any obligations, under this Agreement and General Release. The Company may freely assign all rights and obligations of this Agreement and General Release to any affiliate or successor (including a purchaser of any assets of the Company).

22. This Agreement and General Release and the 2019 Letter Agreement set forth the entire agreement between the Company and **CHAVY**, and fully supersede any prior agreements or understandings not specifically referenced herein between them, with the exception of the 2006 Equity and Incentive Plan, as amended and restated, 2019, 2020, 2021 2022 and 2023 Award Agreements, any salesperson non-compete, non-solicit or confidentiality agreement, and any dispute resolution agreement between **CHAVY** and the Company, which agreements shall survive the termination of **CHAVY'S** employment in accordance with their terms as modified by this Agreement. The Released Parties are intended third-party beneficiaries of this Agreement and General Release, and this Agreement and General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Party hereunder.

23. This Agreement and General Release may be executed in separate counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement.

24. Any Severance payable under this Agreement and General Release shall not be paid until the first scheduled payment date following the Effective Date, with the first such payment being in an amount equal to the total amount to which **CHAVY** would otherwise have been entitled during the period following the Last Date of Employment if such deferral had not been required. However, any such amounts that constitute nonqualified deferred compensation within the meaning of Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively, "Section 409A") shall not be paid until the 60th day following such termination to the extent necessary to avoid adverse tax consequences under Section 409A, and if such payments are required to be so deferred, the first payment shall be in an amount equal to the total amount to which **CHAVY** would otherwise have been entitled during the period following the Last Date of Employment, if such deferral had not been required.

A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement and General Release providing for the payment of any amount or benefit upon or following a termination of employment, unless such termination is also a "separation from service" within the meaning of Section 409A, and for purposes of any such provision of this Agreement and General Release, references to a "termination," "termination of employment" or like terms shall mean "separation from service," and if **CHAVY** is deemed a "specified employee" within the meaning of Section 409A on the Last Date of Employment, then any Severance payable to **CHAVY** under this Agreement and General Release during the first six months and one day following the Last Date of Employment that constitutes nonqualified deferred compensation within the meaning of Section 409A shall not be paid until the date that is six months and one day following such termination to the extent necessary to avoid adverse tax consequences under Section 409A, and if such payments are required to be so deferred, the first payment shall be in an amount equal to the total amount to which **CHAVY** would otherwise have been entitled during the period following the Last Date of Employment, if such deferral had not been required.

Although the Company does not guarantee the tax treatment of any payment hereunder, the intent of the parties is that payments under this Agreement and General Release comply with the meaning of Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder, and accordingly, to the maximum extent permitted, this Agreement and General Release shall be interpreted in a manner consistent therewith.

THE COMPANY AND **CHAVY** HAVE READ AND FULLY CONSIDERED THIS AGREEMENT AND GENERAL RELEASE AND ARE MUTUALLY DESIROUS OF ENTERING INTO SUCH AGREEMENT AND GENERAL RELEASE. **CHAVY** UNDERSTANDS THAT THIS DOCUMENT SETTLES, BARS AND WAIVES ANY AND ALL CLAIMS HE/SHE HAD OR MIGHT HAVE AGAINST THE COMPANY (EXCEPT AS SET FORTH ABOVE); AND HE/SHE ACKNOWLEDGES THAT HE/SHE IS NOT RELYING ON ANY OTHER REPRESENTATIONS, WRITTEN OR ORAL, NOT SET FORTH IN THIS DOCUMENT. HAVING ELECTED TO EXECUTE THIS AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE SUMS AND BENEFITS SET FORTH IN PARAGRAPH 2 ABOVE, **CHAVY** FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT AND GENERAL RELEASE. **CHAVY** AGREES THAT ANY CHANGES, MATERIAL OR IMMATERIAL TO THIS AGREEMENT AND GENERAL RELEASE, DID NOT RESTART THE SIXTY (60) DAY REVIEW PERIOD.

THEREFORE, the parties to this Agreement and General Release now voluntarily and knowingly execute this Agreement.

/s/ Olivier Chavy
OLIVIER CHAVY (WWID 680943)

Signed and sworn before me
this 13th day of February, 2024.

/s/ Jacqueline M. Fleming
Notary Public

TRAVEL + LEISURE CO.

By: /s/ Kimberly A. Marshall
Name: Kimberly A. Marshall
Title: Chief Human Resources Officer

April 24, 2024

The Board of Directors and Stockholders of Travel + Leisure Co.
6277 Sea Harbor Drive
Orlando, Florida 32821

We are aware that our report dated April 24, 2024, on our review of the interim condensed consolidated financial information of Travel + Leisure Co. and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, is incorporated by reference in Registration Statement Nos. 333-136090 and 333-228435 on Forms S-8 and Registration Statement No. 333-256689 on Form S-3ASR.

/s/ Deloitte & Touche LLP

Tampa, Florida

CERTIFICATION

I, Michael D. Brown, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Travel + Leisure Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2024

/S/ MICHAEL D. BROWN
PRESIDENT AND CHIEF EXECUTIVE OFFICER

CERTIFICATION

I, Michael A. Hug, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Travel + Leisure Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2024

/S/ MICHAEL A. HUG
CHIEF FINANCIAL OFFICER

**CERTIFICATION OF PRESIDENT AND CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Travel + Leisure Co. (the “Company”) on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Michael D. Brown, as President and Chief Executive Officer of the Company, and Michael A. Hug, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1.) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2.) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ MICHAEL D. BROWN

MICHAEL D. BROWN

PRESIDENT AND CHIEF EXECUTIVE OFFICER

APRIL 24, 2024

/S/ MICHAEL A. HUG

MICHAEL A. HUG

CHIEF FINANCIAL OFFICER

APRIL 24, 2024