Notice of 2022 Annual Meeting and Proxy Statement and 2021 Annual Report

Tripadvisor®

Notice of 2022 Annual Meeting and Proxy Statement

April 28, 2022

Dear Fellow Stockholder:

Much has changed since this time a year ago. The world of travel has made significant progress, brought on by the distribution of vaccines, boosters, the removal of government restrictions and, importantly, the desire to travel. With the macro-level progress, we at Tripadvisor continued our path to recovery in 2021, navigating near-term volatility while establishing foundations for longer-term opportunities. Throughout the year, we remained committed to our core strategy of providing unique guidance to our global traveler base and expanding the reach we provide to partners and suppliers. Our results reflected the balance of investment in our strategy, continued cost management, and progressive revenue recovery. Consolidated revenue in 2021 was $902 million, a significant improvement from the prior year, when the pandemic began. GAAP net loss in 2021 was $148 million and adjusted EBITDA was $100 million. Cash flow from operations was $108 million.

Tripadvisor holds a distinct position in the travel ecosystem, reaching hundreds of millions of travelers per month with a highly trusted and influential travel brand. We recently reached over a billion reviews and opinions—a remarkable milestone and a testament to our community of travelers and their contributions. This global community of travelers is the foundation of Tripadvisor’s value proposition, which extends to our global partners and suppliers, and is what makes our offering so unique and difficult to replicate.

As we begin 2022, we remain focused on our unique offering and the continued return of travel. In our Hotels, Media and Platform segment, we are improving the traveler experience, and helping our partners reach more customers. In our Experiences and Dining segment, we are investing in marketing channels, expanding our brand recognition, and improving the user experience for both travelers and operators. Across our Other offerings, we see opportunities to continue to recapture pandemic-impacted categories in rentals, cruises and airlines.

Our global talent base is a key element to our success and reach. With over 2,600 employees in locations around the globe, their dedication to Tripadvisor, to supporting a community of colleagues, and to travelers across the world, is irreplaceable. Without their hard work and commitment, we would not have built the trust and brand we have today. I am grateful for the opportunity to have led such an outstanding team for the past 22 years.

Finally, the support of our shareholders has been particularly important during these volatile times in the travel industry. We thank you for your support and continue to focus on opportunities to build long-term value.

You are cordially invited to attend the Annual Meeting of Stockholders of Tripadvisor, Inc. to be held on Tuesday, June 14, 2022, at 11:00 a.m. Eastern Time. This year the annual meeting will be completely virtual. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/TRIP2022. To enter the annual meeting electronically, you will need the control number that is printed in the box marked by the arrow on your proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are logged in when the meeting starts. Online check-in will start shortly before the meeting on June 14, 2022.

At the Annual Meeting, stockholders will be asked to vote on the matters described in the accompanying notice of annual meeting and proxy statement, as well as such other business that may properly come before the meeting and any adjournments or postponements thereof. **Your vote is very important to us.** Please review the instructions for each voting option described in the Notice and in this Proxy Statement. Your prompt cooperation will be greatly appreciated.

Sincerely,

STEPHEN KAUFER
President and Chief Executive Officer

Tripadvisor

400 1st Avenue
Needham, Massachusetts 02494

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on June 14, 2022

The Annual Meeting of Stockholders of Tripadvisor, Inc., a Delaware corporation, will be held on Tuesday, June 14, 2022, at 11:00 a.m. Eastern Time. This year the Annual Meeting will be held via the Internet and will be a completely virtual meeting. You may attend the Annual Meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/TRIP2022. To enter the Annual Meeting, you will need the 16-digit control number that is printed in the box marked by the arrow on your proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are correctly logged in when the Annual Meeting begins. The online check-in will start shortly before the Annual Meeting on June 14, 2022. At the Annual Meeting, stockholders will be asked to consider the following:

1. To elect the ten directors named in this Proxy Statement, each to serve for a one-year term from the date of his election and until such director's successor is elected or until such director's earlier resignation or removal;

2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2022; and

3. To consider and act upon any other business that may properly come before the Annual Meeting and any adjournments or postponements thereof.

Only holders of record of outstanding shares of Tripadvisor capital stock at the close of business on April 18, 2022 are entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof. We will furnish the Notice of Annual Meeting of Stockholders, Proxy Statement and Annual Report on Form 10-K for the fiscal year ended December 31, 2021 over the Internet. Whether you plan to attend the Annual Meeting or not, we encourage you to access and read the accompanying Proxy Statement. We will send to our stockholders a Notice of Internet Availability of Proxy Materials on or about April 28, 2022, and provide access to our proxy materials over the Internet to our holders of record and beneficial owners of our capital stock as of the close of business on the record date. You may request paper copies by following the instructions on the Notice of Internet Availability of Proxy Materials.

By Order of the Board of Directors,

SETH J. KALVERT
Chief Legal Officer and Secretary

April 28, 2022

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Stockholders to Be Held on June 14, 2022

This Proxy Statement and the 2021 Annual Report are available at:
http://ir.Tripadvisor.com/annual-proxy.cfm

PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS

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ANNUAL MEETING MATTERS

This Proxy Statement is being furnished to holders of common stock and Class B common stock of Tripadvisor, Inc., a Delaware corporation, in connection with the solicitation of proxies by Tripadvisor's Board of Directors (the "Board") for use at its 2022 Annual Meeting of Stockholders or any adjournment or postponement thereof (the "Annual Meeting"). All references to "Tripadvisor," the "Company," "we," "our" or "us" in this Proxy Statement are to Tripadvisor, Inc. and its subsidiaries. An Annual Report to Stockholders, containing financial statements for the year ended December 31, 2021, and this Proxy Statement are being made available to all stockholders entitled to vote at the Annual Meeting.

Tripadvisor's principal executive offices are located at 400 1st Avenue, Needham, Massachusetts 02494. This Proxy Statement is being made available to Tripadvisor stockholders on or about April 28, 2022.

Date, Time and Place of Meeting

The Annual Meeting will be held on Tuesday, June 14, 2022, at 11:00 a.m. local time. This year the Annual Meeting will be held via the Internet and will be a completely virtual meeting. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/TRIP2022. To enter the annual meeting, you will need the 16-digit control number that is printed in the box marked by the arrow on your proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are logged in when the meeting starts.

If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the virtual meeting web portal. Technical support will be available during this time and will remain available until the Annual Meeting has ended. No recording of the Annual Meeting is allowed, including audio or video recording.

Record Date and Voting Rights

The Board established the close of business on April 18, 2022, as the record date for determining the holders of Tripadvisor common stock entitled to notice of and to vote at the Annual Meeting. On the record date, 126,819,417 shares of common stock and 12,799,999 shares of Class B common stock were outstanding and entitled to vote at the Annual Meeting. Tripadvisor stockholders are entitled to one vote for each share of common stock and ten votes for each share of Class B common stock held as of the record date, voting together as a single voting group, on (i) the election of seven of the ten director nominees; and (ii) the ratification of the appointment of KPMG LLP as Tripadvisor's independent registered public accounting firm for the year ending December 31, 2022. Tripadvisor stockholders are entitled to one vote for each share of common stock held as of the record date in the election of the three director nominees that the holders of Tripadvisor common stock are entitled to elect as a separate class pursuant to Tripadvisor's restated certificate of incorporation. Stockholders have no right to cumulative voting as to any matter, including the election of directors.

On August 27, 2014, the entire beneficial ownership of our common stock and Class B common stock previously held by Liberty Interactive Corporation, which is currently known as Qurate Retail, Inc. ("Liberty") was transferred to Liberty Tripadvisor Holdings, Inc. ("LTRIP"). Simultaneously, Liberty, LTRIP's former parent company, distributed, by means of a dividend, to the holders of its Liberty Ventures common stock, Liberty's entire equity interest in LTRIP. We refer to this transaction as the Liberty Spin-Off. As a result of the Liberty Spin-Off, effective August 27, 2014, LTRIP became a separate, publicly traded company and 100% of Liberty's interest in Tripadvisor was held by LTRIP. Liberty also assigned to LTRIP its rights and obligations under the Governance Agreement between Tripadvisor and Liberty, dated December 20, 2011 (the "Governance Agreement").

As of the record date, LTRIP beneficially owned 16,445,894 shares of our common stock and 12,799,999 shares of our Class B common stock, which shares constitute 13.0% of the outstanding shares of common stock and 100% of the outstanding shares of Class B Common Stock. Assuming the conversion of all of LTRIP's shares of Class B common stock into common stock, as of the record date LTRIP would beneficially own 20.9% of the outstanding common stock. Because each share of Class B common stock is entitled to ten votes per share and each share of common stock is entitled to one vote per share, as of the record date LTRIP may be deemed to beneficially own equity securities representing 56.7% of our voting power. As a result, regardless of the vote of any other Tripadvisor stockholder, LTRIP has control over the vote relating to (i) the election of seven of the ten director nominees; and

(ii) the ratification of the appointment of KPMG LLP as Tripadvisor's independent registered public accounting firm for the fiscal year ending December 31, 2022.

Quorum; Abstentions; Broker Non-Votes

Transaction of business at the Annual Meeting may occur if a quorum is present. If a quorum is not present, the Annual Meeting will be adjourned or postponed in order to permit additional time for soliciting and obtaining additional proxies or votes. At any subsequent reconvening of the Annual Meeting, all proxies will be voted in the same manner as such proxies would have been voted at the original convening of the Annual Meeting, except for any proxies that have been effectively revoked or withdrawn.

With respect to (i) the election of seven of the ten director nominees; and (ii) the ratification of the appointment of KPMG LLP as Tripadvisor's independent registered public accounting firm for the fiscal year ending December 31, 2022, the presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the total votes entitled to be cast constitutes a quorum. Virtual attendance at the Annual Meeting also constitutes presence in person for purposes of quorum at the Annual Meeting. For the election of the three directors whom the holders of Tripadvisor common stock are entitled to elect as a separate class, the presence at the Annual Meeting, in person or by proxy, of the holders of a majority of shares of common stock constitutes a quorum.

If a share is represented for any purpose at the meeting, it is deemed to be present for quorum purposes and for all other matters as well. Shares of Tripadvisor capital stock represented by a properly executed proxy will be treated as present at the Annual Meeting for purposes of determining a quorum, without regard to whether the proxy is marked as casting a vote or abstaining.

Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote the shares on a proposal because the nominee does not have discretionary voting power for a particular item and has not received instructions from the beneficial owner regarding voting. Brokers who hold shares for the accounts of their clients have discretionary authority to vote shares if specific instructions are not given with respect to the ratification of the appointment of our independent registered public accounting firm. Brokers do not have discretionary authority to vote on the election of our directors, so we encourage you to provide instructions to your broker regarding the voting of your shares.

Solicitation of Proxies

Tripadvisor will bear the cost of the solicitation of proxies from its stockholders. In addition to solicitation by mail, the directors, officers and employees of Tripadvisor, without additional compensation, may solicit proxies from stockholders by telephone, by letter, by facsimile, in person or otherwise. Following the original mailing of the proxies and other soliciting materials, Tripadvisor will ask brokers, trusts, banks or other nominees to forward copies of the proxy and other soliciting materials to persons for whom they hold shares of Tripadvisor capital stock and to request authority for the exercise of proxies. In such cases, Tripadvisor, upon the request of the brokers, trusts, banks and other stockholder nominees, will reimburse such holders for their reasonable expenses.

Voting of Proxies

The manner in which your shares may be voted depends on whether you are a:

- *Registered stockholder:* Your shares are represented by certificates or book entries in your name on the records of Tripadvisor's stock transfer agent and you have the right to vote those shares directly; or

- *Beneficial stockholder:* You hold your shares in "street name" through a broker, trust, bank or other nominee and you have the right to direct your broker, trust, bank or other nominee on how to vote the shares in your account; however, you must request and receive a valid proxy from your broker, trust, bank or other nominee.

Whether you hold shares directly as a registered stockholder or beneficially as a beneficial stockholder, you may direct how your shares are voted without attending the Annual Meeting. For directions on how to vote, please refer to the instructions below and those on the Notice of Internet Availability of Proxy Materials, proxy card or voting instruction form provided. To vote using the Internet or by telephone, you will be required to enter the control number included on your Notice of Internet Availability of Proxy Materials or other voting instruction form provided by your broker, trust, bank or other nominee.

- *Using the Internet.* Registered stockholders may vote using the Internet by going to www.proxyvote.com and following the instructions. Beneficial stockholders may vote by accessing the website specified on the voting instruction forms provided by their brokers, trusts, banks or other nominees.

- *By Telephone.* Registered stockholders may vote, from within the United States, using any touch-tone telephone by calling 1-800-690-6903 and following the recorded instructions. Beneficial owners may vote, from within the United States, using any touch-tone telephone by calling the number specified on the voting instruction forms provided by their brokers, trusts, banks or other nominees.

- *By Mail.* Registered stockholders may submit proxies by mail by requesting printed proxy cards and marking, signing and dating the printed proxy cards and mailing them in the accompanying pre-addressed envelopes. Beneficial owners may vote by marking, signing and dating the voting instruction forms provided by their brokers, trusts, banks or other nominees and mailing them in the accompanying pre-addressed envelopes.

All proxies properly submitted and not revoked will be voted at the Annual Meeting in accordance with the instructions indicated thereon. If no instructions are provided, such proxies will be voted FOR proposals (1) and (2).

Tripadvisor is incorporated under Delaware law, which specifically permits electronically transmitted proxies, provided that each such proxy contains, or is submitted with, information from which the inspector of elections can determine that such proxy was authorized by the stockholder. The electronic voting procedures provided for the Annual Meeting are designed to authenticate each stockholder by use of a control number, to allow stockholders to vote their shares and to confirm that their instructions have been properly recorded.

Voting in Person at the Annual Meeting

Virtual attendance at the Annual Meeting constitutes presence in person for purposes of each required vote. Votes in person will replace any previous votes you have made by mail or telephone or via the Internet. Attendance at the Annual Meeting without voting or revoking a previous proxy in accordance with the voting procedures will not in and of itself revoke a proxy.

Holders of record may vote their shares electronically during the meeting via the Internet by visiting *www.virtualshareholdermeeting.com/TRIP2022*. To enter the annual meeting, holders will need the 16-digit control number that is printed in the box marked by the arrow on their proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that they are logged in when the meeting starts. Online check-in will start shortly before the meeting.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, please take the time to vote via the Internet, by telephone or by returning your marked, signed and dated proxy card so that your shares will be represented at the Annual Meeting.

Revocation of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it any time before the taking of the vote at the Annual Meeting.

If you are a beneficial stockholder, you may revoke your proxy or change your vote only by following the separate instructions provided by your broker, trust, bank or other nominee.

If you are a registered stockholder, you may revoke your proxy at any time before it is exercised at the Annual Meeting by (i) delivering written notice, bearing a date later than the proxy, stating that the proxy is revoked, or (ii) submitting a later-dated proxy relating to the same shares by mail or telephone or via the Internet prior to the vote at the Annual Meeting. Registered holders may send any written notice or request for a new proxy card to Tripadvisor, Inc., c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717, or follow the instructions provided on the Notice of Internet Availability of Proxy Materials and proxy card to submit a new proxy by telephone or via the Internet. Registered holders may also request a new proxy card by calling 1-800-579-1639. Your attendance at the annual meeting will not, by itself, revoke a prior vote or proxy from you.

Other Business

The Board does not presently intend to bring any business before the Annual Meeting other than the proposals discussed in this Proxy Statement and specified in the Notice of Annual Meeting of Stockholders. The Board has no knowledge of any other matters to be presented at the Annual Meeting other than those described in this Proxy Statement. If any other matters should properly come before the Annual Meeting, the persons designated in the proxy will vote on them according to their best judgment.

PROPOSAL 1:
ELECTION OF DIRECTORS

Overview

Our Board currently consists of ten members. Pursuant to the terms of Tripadvisor's bylaws, each director serves for a one-year term from the date of his or her election and until such director's successor is elected or until such director's earlier resignation or removal. The Board recommends that each of the ten nominees listed below be elected to serve a one-year term and until such director's successor shall have been duly elected and qualified or until such director's earlier resignation or removal:

Gregory B. Maffei
Stephen Kaufer
Jay C. Hoag
Betsy L. Morgan
M. Greg O'Hara
Jeremy Philips
Albert E. Rosenthaler
Trynka Shineman Blake
Robert S. Wiesenthal
Jane Jie Sun

Tripadvisor's restated certificate of incorporation provides that the holders of Tripadvisor common stock, acting as a single class, are entitled to elect a number of directors equal to 25% of the total number of directors, rounded up to the next whole number, which will be three directors as of the date of the Annual Meeting. The Board has designated Ms. Shineman and Messrs. Philips and Wiesenthal as nominees for the positions on the Board to be elected by the holders of Tripadvisor common stock voting as a separate class.

Pursuant to the Governance Agreement, LTRIP has the right to nominate up to a number of directors equal to 20% of the total number of the directors (rounded up to the next whole number if the number of directors on the Board is not an even multiple of five) for election to the Board and has certain other rights regarding committee participation, so long as certain stock ownership requirements applicable to LTRIP are satisfied. LTRIP has designated Messrs. Maffei and O'Hara as its nominees to the Board. Pursuant to a Governance Agreement entered into on November 6, 2019 with Trip.com Group Limited, formerly known as Ctrip.com International Ltd., Trip.com had a nomination right for one Board seat, subject to certain conditions, including Trip.com's ownership of a minimum number of shares of Tripadvisor. Trip.com designated Jane Sun as its nominee to the Board. Trip.com subsequently sold shares of Tripadvisor and relinquished its right to the Board seat; however, as an indication of the commitment to the ongoing relationship between the companies, Ms. Sun has been nominated to serve on the Tripadvisor board.

Although management does not anticipate that any of the nominees named above will be unable or unwilling to stand for election, in the event of such an occurrence, proxies may be voted for a substitute nominee designated by the Board.

Information Regarding Director Nominees

The information provided below about each nominee is as of the date of this Proxy Statement. The information presented includes the names of each of the nominees, along with his or her age, any positions held with the Company, term of office as a director, principal occupations or employment for the past five years or more, involvement in certain legal proceedings, if applicable, and the names of all other publicly-held companies for which he or she currently serves as a director or has served as a director during the past five years. The information also includes a description of the specific experience, qualifications, attributes and skills of each nominee that led our Board to conclude that he or she should serve as a director of the Company for the ensuing term.

The ten nominees to the Board possess the experience and qualifications that we believe will allow them to make substantial contributions to the Board. In selecting nominees to the Board, we seek to ensure that the Board collectively has a balance of diversity, experience and expertise, including chief executive officer experience, chief financial officer experience, international expertise, corporate governance experience and experience in other functional areas that are relevant to our business. Following, please find a more detailed discussion of the business experience and qualifications of each of the nominees to the Board.

Gregory B. Maffei

Age: 61
Director Since: 2013

Committee Memberships:
Compensation
Executive

Mr. Maffei has served as a director as well as the President and Chief Executive Officer of Liberty Media Corporation ("LMC") (including its predecessor) since May 2007, LTRIP since July 2013, Liberty Broadband Corporation ("LBC") since June 2014 and GCI Liberty, Inc. since March 2018. He has served as Chairman of the board of directors of Qurate Retail, Inc. ("Qurate") since March 2018 and as a director of Qurate (including its predecessor) since November 2005. He previously served as President and Chief Executive Officer of Qurate from February 2006 to March 2018 and CEO-Elect from November 2005 through February 2006. Prior to joining Qurate, Mr. Maffei served as President and Chief Financial Officer of Oracle Corporation, Chairman, President and Chief Executive Officer of 360 networks Corporation and Chief Financial Officer of Microsoft Corporation. Mr. Maffei currently serves on the board of directors of the following public companies: Sirius XM Holdings Inc., Live Nation Entertainment, Inc., Charter Communications, Inc., and Zillow Group, Inc. Mr. Maffei is a member of the Council on Foreign Relations and the Board of Trustees of Dartmouth College. Mr. Maffei previously served on the board of directors of Starz, Electronic Arts, Inc., Barnes & Noble, Inc., Citrix Systems, Inc., DirecTV, Starbucks Corp., and Dorling Kindersley Limited. Mr. Maffei holds an M.B.A. from Harvard Business School, where he was a Baker Scholar, and an A.B. from Dartmouth College.

Board Membership Qualifications

Mr. Maffei brings to our Board significant financial and operational experience based on his senior policy-making positions at LMC, Qurate, LBC and LTRIP, his previous executive positions at Oracle, 360networks and Microsoft and his other public company board experience. He provides our board with an executive and leadership perspective on the operation and management of large public companies and risk management principles.

Stephen Kaufer

Age: 59
Director Since: 2011

Committee Memberships:
Executive

Mr. Kaufer co-founded Tripadvisor in February 2000 and has been the President and Chief Executive Officer of Tripadvisor since that date. Mr. Kaufer has been a director of Tripadvisor since the completion of the spin-off of Tripadvisor from Expedia, Inc. ("Expedia") in December 2011 (the "Spin-Off"). Mr. Kaufer serves on the Board of Directors of CarGurus, Inc., a company traded on The Nasdaq Stock Market, LLC. Mr. Kaufer also serves as President and Chairman of the Board of Directors of Tripadvisor Charitable Foundation, a private charitable foundation. Mr. Kaufer also serves on the Board of Directors of the charity Neuroendocrine Tumor Research Foundation (formerly known as Caring for Carcinoid Foundation). Prior to co-founding Tripadvisor, Mr. Kaufer served as President of CDS, Inc., an independent software vendor specializing in programming and testing tools, and co-founded CenterLine Software and served as its Vice President of Engineering. Mr. Kaufer holds an A.B. in Computer Science from Harvard University.

Board Membership Qualifications

As co-founder of Tripadvisor and through his service as its Chief Executive Officer, Mr. Kaufer has extensive knowledge of our business and operations, and significant experience in the online advertising sector of the global travel industry. Mr. Kaufer also possesses strategic and governance skills gained through his executive and director roles with several other companies.

Jay C. Hoag

Age: 63
Director Since: 2018

Committee Memberships:
Compensation
Section 16

Mr. Hoag co-founded Technology Crossover Ventures (TCV), a private equity and venture capital firm, in 1995 and continues to serve as a founding General Partner. In addition to the board of directors of the Company, Mr. Hoag currently serves on the boards of directors of the following public companies: Netflix, Inc., Peloton Interactive, Inc. and Zillow Group, Inc. Mr. Hoag also serves on the boards of directors of several private companies. Mr. Hoag previously served on a number of other boards of directors of public and private companies. Mr. Hoag is also on the Board of Trustees of Northwestern University and Vanderbilt University, and the Investment Advisory Board of the University of Michigan. Mr. Hoag holds an M.B.A. from the University of Michigan and a B.A. from Northwestern University.

Board Membership Qualifications

As a venture capital investor, Mr. Hoag brings strategic insights and extensive financial experience to the Company's Board. He has evaluated, invested in and served as a board and committee member of numerous companies, both public and private, and is familiar with a full range of corporate and board functions. His many years of experience helping companies shape and implement strategy would provide the Company's Board with unique perspectives on matters such as risk management, corporate governance, talent selection and leadership development.

Betsy L. Morgan

Age: 53
Director Since: 2019

Committee Memberships:
Compensation - Chair
Section 16 - Chair

Ms. Morgan is currently the co-founder of Magnet Companies, a private equity-backed company focused on media and commerce, and an associate professor at Columbia Business School and Columbia College. From February 2016 to July 2018, Ms. Morgan served as an Executive in Residence of LionTree, an advisory and merchant bank firm specializing in technology and media. From January 2011 to July 2015, Ms. Morgan was the CEO of TheBlaze, an early multi-platform and direct-to-consumer news and entertainment company. Prior to TheBlaze, Ms. Morgan was the CEO of The Huffington Post. Ms. Morgan currently serves on the board of directors of the following privately-held companies: Trusted Media Brands, Chartbeat and TheSkimm. Ms. Morgan has an M.B.A from Harvard Business School and a B.A. in Political Science and Economics from Colby College, where she served as a member of the Board of Trustees for eight years. She is also a contributor to Riptide, an oral history of journalism and digital innovation created by Harvard's Shorenstein Center on Media, Politics and Public Policy.

Board Membership Qualifications

Ms. Morgan has extensive experience leading digital media, subscription and original content businesses. This experience will benefit Tripadvisor and its stockholders as we continue to execute on our strategy. Her financial background, investment knowledge and Board experience also make her an excellent addition to the Board, able to provide valuable insight and advice.

M. Greg O'Hara

Age: 56
Director Since: 2020

Committee Memberships:
None

Mr. O'Hara founded Certares Management LLC in 2012 and serves as its Senior Managing Director, as the Head of its Investment Committee and as a member of its Management Committee. Mr. O'Hara serves as the Executive Chairman of American Express Global Business Travel, as the Vice Chairman of LTRIP board of directors, Chairperson of Hertz Global Holdings, Inc. and as a director of The Innocence Project, World Travel & Tourism Council and Certares Holdings LLC. Prior to forming Certares Management LLC, Mr. O'Hara served as Chief Investment Officer of JPMorgan Chase's Special Investments Group and as a Managing Director of One Equity Partners, the private equity arm of JPMorgan. Mr. O'Hara also served as Executive Vice President and a director of Worldspan. Mr. O'Hara received his Master of Business Administration degree from Vanderbilt University.

Board Membership Qualifications

Mr. O'Hara's extensive background in investment analysis and management and his particular expertise in the travel industry contribute to our Board's evaluation of investment and financial opportunities and strategies and strengthen our board's collective qualifications, skills and attributes.

Jeremy Philips

Age: 49
Director Since: 2011

Committee Memberships:
Audit

Mr. Philips has been a general partner of Spark Capital since May 2014. From January 2012 until May 2014, Mr. Philips invested in private technology companies. From June 2010 to January 2012, Mr. Philips served as the Chief Executive Officer of Photon Group Limited, a holding company listed on the Australian Securities Exchange. From July 2004 to March 2010, Mr. Philips held various roles of increasing responsibility with News Corporation, most recently as an Executive Vice President in the Office of the Chairman. Prior to joining News Corporation, he served in several roles, including co-founder and Vice-Chairman of ecorp, a publicly-traded Internet holding company, and as an analyst at McKinsey & Company. Mr. Philips is on the board of directors of Angi Inc. and several private Internet companies. He served on the board of directors of Affirm Holdings from 2015 to 2021. He is an adjunct professor at Columbia Business School and holds a B.A. and LL.B. from the University of New South Wales and an MPA from the Harvard Kennedy School of Government.

Board Membership Qualifications

Mr. Philips has significant strategic and operational experience acquired through his service as Chief Executive Officer and other executive-level positions. He also possesses a high level of financial literacy and expertise regarding mergers, acquisitions, investments and other strategic transactions as well as an extensive background in the Internet industry.

Albert E. Rosenthaler

Age: 62
Director Since: 2016

Committee Memberships:
None

Mr. Rosenthaler has served as Chief Corporate Development Officer of LMC, Qurate, LTRIP, and Liberty Broadband Corporation since October 2016 and Liberty Media Acquisition Corporation since November 2020. He previously served as Chief Corporate Development Officer of GCI Liberty, Inc. from March 2018 to December 2020 and Liberty Expedia from October 2016 to July 2019. Mr. Rosenthaler has served as a director of LTRIP since August 2014, and a director of Tripadvisor, Inc. since February 2016. He is a graduate of Olivet College (B.A.) and University of Illinois (M.A.S.).

Board Membership Qualifications

Mr. Rosenthaler has significant executive and financial experience gained through his service as an executive officer of Qurate and LMC for many years and as a partner of a major national accounting firm for more than five years prior to joining Qurate and Liberty. Mr. Rosenthaler brings a unique perspective to our Board, focused in particular on the areas of tax management, mergers and acquisitions and financial structuring. Mr. Rosenthaler's perspective and expertise assist the Board in developing strategies that take into consideration the application of tax laws and capital allocation.

Trynka Shineman Blake

Age: 48
Director Since: 2019

Committee Memberships:
Audit

Ms. Shineman serves on the board of directors of SEMRush, an online visibility and content marketing SaaS business that helps marketers do their job more effectively, and serves as chair of the Nominations and Governance Committee. She is also a member of the Board of Trustees of the Mass Technology Leadership Council. From March 2004 through February 2019, Ms. Shineman held positions of increasing responsibility with Cimpress N.V., and most recently was the Chief Executive Officer of its Vistaprint business. Ms. Shineman has an M.B.A from Columbia Business School and a B.A. in Psychology from Cornell University.

Board Membership Qualifications

Ms. Shineman has many years of experience with customer-focused businesses and with digital transformations. She has extensive experience helping companies develop a deep understanding of customer needs and shaping the organization around those needs. She will be able to provide the Board and management with important insight and counsel as Tripadvisor improves its platform to provide its users a better and more inspired travel planning experience.

Jane Jie Sun

Age: 53
Director Since: 2020

Committee Memberships:
None

Jane Jie Sun (孙洁) has served as the chief executive officer of Trip.com, as well as a member of the board of directors, since November 2016. Prior to that, she was a co-president since March 2015, chief operating officer since May 2012, and chief financial officer from 2005 to 2012. Ms. Sun is a member of the JPMorgan Asian Advisory Board, vice chair of the World Travel and Tourism Council, co-chair of the Development Advisory Board of University of Michigan and Shanghai Jiao Tong University Joint Institute, and a board member and Business Leaders Group Committee member of Business China established by Singapore's Founding Prime Minister Mr. Lee Kuan Yew. Ms. Sun received her Bachelor's degree in Science in Accounting from the business school of the University of Florida in August 1992 with high honors. She also obtained her LL.M. degree from Peking University Law School in July 2010. Ms. Sun has been a director MakeMyTrip Limited since August 2019 and a director of iQIYI, Inc. since June 2018.

Board Membership Qualifications

Ms. Sun has significant financial and business experience operating and managing online travel businesses as well as mergers and acquisitions and financial reporting. She provides our board with leadership perspective on the operation and management of large companies operating in the travel space. As a female CEO in China's high-tech industry, Ms. Sun has made it her mission to empower women to achieve balance and success in both their career and family lives and is a strong advocate for gender equality.

Robert S. Wiesenthal

Age: 55
Director Since: 2011

Committee Memberships:
Audit – Chair

Since July 2015, Mr. Wiesenthal has served as founder and Chief Executive Officer of Blade Urban Air Mobility, Inc., a technology enabled short-distance aviation company and the largest arranger of helicopter flights in and out of city centers in the U.S. From January 2013 to July 2015, Mr. Wiesenthal served as Chief Operating Officer of Warner Music Group Corp., a leading global music conglomerate. From 2000 to 2012, Mr. Wiesenthal served in various senior executive capacities with Sony Corporation, most recently as Executive Vice President and Chief Financial Officer of Sony Corporation of America. Prior to joining Sony, from 1988 to 2000, Mr. Wiesenthal served in various capacities with Credit Suisse First Boston, most recently as Managing Director, Head of Digital Media and Entertainment. Mr. Wiesenthal previously served on the board of directors of Starz. Mr. Wiesenthal has a B.A. from the University of Rochester.

Board Membership Qualifications

Mr. Wiesenthal possesses extensive strategic, operational and financial experience, gained through his wide range of service in executive-level positions with a strong focus on networked consumer electronics, entertainment, and digital media. He also has a high degree of financial literacy and expertise regarding mergers, acquisitions, investments and other strategic transactions.

All of our nominees also have extensive management experience in complex organizations. In addition to the information presented regarding each nominee's specific experience, qualifications, attributes and skills that led the Board to the conclusion that he or she should be nominated as a director, each nominee has proven business acumen and an ability to exercise sound judgment, as well as a commitment to Tripadvisor and its Board as demonstrated by each nominee's past service. The Board considered the Nasdaq requirement that Tripadvisor's Audit Committee be composed of at least three independent directors, as well as specific Nasdaq and U.S. Securities and Exchange Commission ("SEC") requirements regarding financial literacy and expertise.

Required Vote

Election of Mmes. Morgan and Sun and Messrs. Maffei, Hoag, Kaufer, O'Hara and Rosenthaler as directors requires the affirmative vote of a plurality of the total number of votes cast by the holders of shares of Tripadvisor common stock and Class B common stock, present in person or represented by proxy, voting together as a single class. Election of Ms. Shineman and Messrs. Philips and Wiesenthal as directors requires the affirmative vote of a plurality of the total number of votes cast by the holders of shares of Tripadvisor common stock, present in person or represented by proxy, voting together as a separate class.

We ask our stockholders to vote in favor of each of the director nominees. Valid proxies received pursuant to this solicitation will be voted in the manner specified. With respect to the election of directors, you may vote "FOR" or "WITHHOLD". Where no specification is made, it is intended that the proxies received from stockholders will be voted FOR the election of the director nominees identified. Votes withheld and broker non-votes will have no effect because approval by a certain percentage of voting stock present or outstanding is not required.

THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES FOR DIRECTOR NAMED ABOVE.

CORPORATE GOVERNANCE

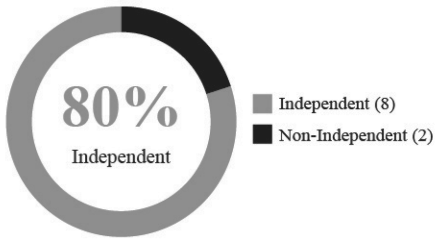
Corporate Governance Highlights

We are a "controlled company" as defined under the Nasdaq Stock Market Listing Rules (the "Nasdaq Rules"). As such, we are exempt from certain requirements for public companies under the Nasdaq Rules; however, the Company's Board of Directors endeavors to conduct itself and to manage the Company in a way that best serves all of the Company's stockholders. We strive to maintain the highest governance standards in our business and our commitment to effective corporate governance is illustrated by the following practices:

- Chairman of the Board separate from the CEO;
- All three Audit Committee members are independent and "financial experts";
- Board review of enterprise risk management and related policies, processes and controls, with Board Committees exercising oversight for risk matters within their purview;
- Oversee management's development and execution of the Company's strategy and plan, including the extent to which ESG risks and opportunities (both financial and social) are embedded in that strategy;
- Direct access and regular communication between Board and members of senior management;
- Actively seek members of historically underrepresented ethnic and racial groups for every open Board seat;
- Stock ownership guidelines for directors and executive officers;
- Clawback policy in our executive compensation program; and
- Comprehensive insider trading policy that also prohibits hedging and pledging transactions of our stock by directors or employees.

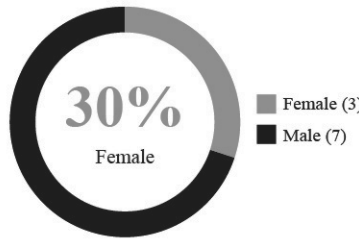
In addition, please note the summary information below regarding our Board:

BOARD INDEPENDENCE



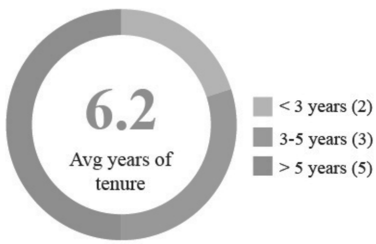
85% of S&P 500 directors are independent

GENDER DIVERSITY



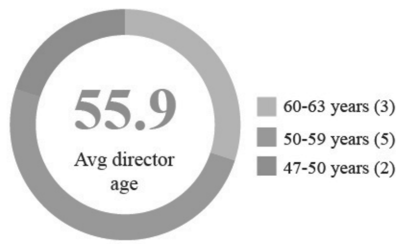
28% of S&P 500 directors are female

BOARD TENURE



7.9 years is the average tenure of S&P 500 boards

DIRECTOR AGE



63 years is the average age of S&P 500 directors

Board Diversity Matrix

The table below provides certain highlights of the composition of our Directors and Director Nominees as of April 28, 2022. Each of the categories listed in the below table has the meaning as it is used in Nasdaq Rule 5605(f).

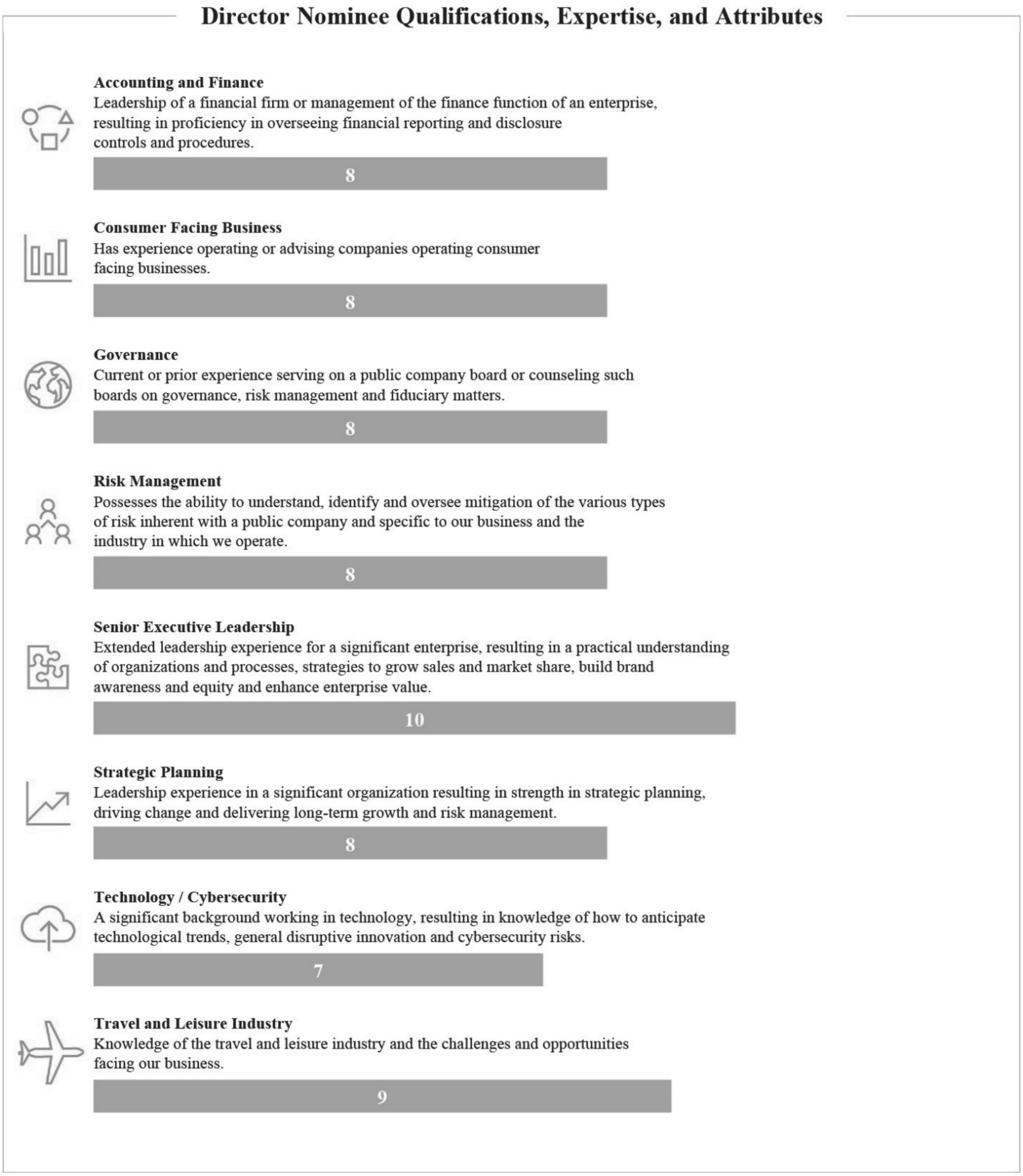
Board Size:

Total Number of Directors	**10**			
Gender:	**Male**	**Female**	**Non-Binary**	**Gender Undisclosed**
Number of directors based on gender identity	7	3	-	-
Number of directors who identify in any of the categories below:				
African American or Black	-	-	-	-
Alaskan Native or American Indian	-	-	-	-
Asian	-	1	-	-
Hispanic or Latinx	-	-	-	-
Native Hawaiian or Pacific Islander	-	-	-	-
White	7	2	-	-
Two or More Races or Ethnicities	-	-	-	-
LGBTQ+	-			
Demographic Background Undisclosed	0			

Board of Directors

Director Qualifications, Skills and Experiences

The Board believes that a complementary mix of diverse qualifications, skills, attributes and experiences will best serve our Company and our stockholders. Our Board, like the Company, is committed to a policy of inclusiveness and diversity. As a result, our Board is comprised of a diverse group of individuals whose previous experience, financial and business acumen, personal ethics and dedication to our company benefit the Company and our stockholders. The specific experience and qualifications of each of our Board members are set forth above. Below is a summary of some of the attributes, skills and experience of our director nominees:



Director Diversity

In case of a Board vacancy or if the Board elects to increase its size, determinations regarding the eligibility of director candidates are made by the entire Board, which considers the candidate's qualifications as to skills and experience in the context of the needs of the Board and our stockholders. When seeking new Board candidates, the Board is committed to including members of historically underrepresented groups (including individuals who identify as women, LGBTQ+ and members of historically underrepresented ethnic and racial groups) in the pool of candidates from which the Board nominees are chosen. Currently and as proposed, the Board of Directors consists of three women, including one woman who is a member of a historically underrepresented group.

Director Independence

Under the Nasdaq Rules the Board has a responsibility to make an affirmative determination that those members of the Board who serve as independent directors do not have any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In connection with these independence determinations, the Board reviews information regarding transactions, relationships and arrangements relevant to independence, including those required by the Nasdaq Rules. This information is obtained from director responses to questionnaires circulated by management, as well as our records and publicly available information. Following this determination, management monitors those transactions, relationships and arrangements that were relevant to such determination, as well as solicits updated information potentially relevant to independence from internal personnel and directors, to determine whether there have been any developments that could potentially have an adverse impact on the Board's prior independence determination.

Based on the information provided by each director concerning his or her background, employment and affiliations and upon review of this information, our Board previously determined that each of Mmes. Morgan, Shineman and Sun and Messrs. Hoag, Philips, O'Hara and Wiesenthal do not have a relationship that should interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is an "independent director" as defined under the applicable rules and regulations of the SEC and Nasdaq. In making its independence determinations, the Board considered the applicable legal standards and any relevant transactions, relationships or arrangements. In addition to the satisfaction of the director independence requirements set forth in the Nasdaq Rules, members of the Audit Committee and Compensation Committees also satisfied separate independence requirements under the current standards imposed by the SEC and the Nasdaq Rules for audit committee members and by the SEC, Nasdaq Rules and the Internal Revenue Service for compensation committee members. At the first meeting of the Board following the Annual Meeting, the Board intends to conduct a review of director independence and to designate the members of the Board to serve on each of the committees and the Chair of each of the committees for the directors' term.

Controlled Company Status

As of the record date, LTRIP beneficially owned 16,445,894 shares of our common stock and 12,799,999 shares of our Class B common stock, which shares constitute 13.0% of the outstanding shares of common stock and 100% of the outstanding shares of Class B common stock, respectively. Assuming the conversion of all of LTRIP's shares of Class B common stock into common stock, LTRIP would beneficially own 20.9% of the outstanding common stock. Because each share of Class B common stock is entitled to ten votes per share and each share of common stock is entitled to one vote per share, LTRIP may be deemed to beneficially own equity securities representing 56.7% of our voting power. LTRIP has filed a Statement of Beneficial Ownership on Schedule 13D with respect to its Tripadvisor holdings and related voting arrangements with the SEC.

The Nasdaq Rules exempt "controlled companies," or companies of which more than 50% of the voting power is held by an individual, a group or another company, such as Tripadvisor, from certain governance requirements under the Nasdaq Rules. On this basis, Tripadvisor is relying on the exemption for controlled companies from certain requirements under the Nasdaq Rules, including, among others, the requirement that the Compensation Committees be composed solely of independent directors and certain requirements relating to the nomination of directors.

Board Leadership Structure

Mr. Maffei serves as the Chairman of the Board, and Mr. Kaufer serves as President and Chief Executive Officer of Tripadvisor. The roles of Chief Executive Officer and Chairman of the Board are currently separated in recognition of the differences between the two roles. This leadership structure provides us with the benefit of Mr. Maffei's oversight of Tripadvisor's strategic goals and vision, coupled with the benefit of a full-time Chief Executive Officer dedicated to focusing on the day-to-day management and continued growth of Tripadvisor and its operating businesses. We believe that it is in the best interests of our stockholders for the Board to make a determination regarding the separation or combination of these roles each time it elects a new Chairman or Chief Executive Officer based on the relevant facts and circumstances applicable at such time.

Independent members of the Board chair our Audit Committee, Compensation Committee and Section 16 Committee.

Meeting Attendance

The Board met six times in 2021. During such period, each member of the Board attended at least 75% of the meetings of the Board and the Board committees on which they served, with the exception of Mr. Jay Hoag and Mr. Greg O'Hara. Although both Messrs. Hoag and O'Hara attended fewer than 75% of the meetings, both directors are highly familiar with the topics discussed at such meetings and expressed their views on such matters with Mr. Maffei, our Chairman of the Board, and/or Mr. Kaufer, our Chief Executive Officer and President. The independent directors meet in regularly scheduled sessions, typically before or after each Board meeting, without the presence of management. We do not have a lead independent director or any other formally appointed leader for these sessions. Directors are encouraged but not required to attend annual meetings of Tripadvisor stockholders. All of the incumbent directors who were directors at the time have historically attended the annual meetings of stockholders.

Committees of the Board of Directors

The Board has the following standing committees: the Audit Committee, the Compensation Committee, the Section 16 Committee and the Executive Committee. The Audit, Compensation and Section 16 Committees operate under written charters adopted by the Board. These charters are available in the "Corporate Governance" section of the Investor Relations page of Tripadvisor's corporate website at ir.Tripadvisor.com. At each regularly scheduled Board meeting, the Chairperson of each committee provides the full Board with an update of all significant matters discussed, reviewed, considered and/or approved by the relevant committee since the last regularly scheduled Board meeting. The membership of our Audit, Compensation and Section 16 Committees ensures that directors with no direct ties to Company management are charged with oversight for all financial reporting and executive compensation related decisions made by Company management.

The following table sets forth the current members of the Board and the members of each committee of the Board. At the first meeting of the Board following the Annual Meeting, the Board intends to conduct a review of director independence and to designate the members of the Board to serve on each of the committees and the Chair of each of the committees for the directors' term.

Name	Audit Committee	Compensation Committee	Section 16 Committee	Executive Committee
Greg Maffei	—	X	—	X
Trynka Shineman Blake	X	—	—	—
Jay C. Hoag	—	X	X	—
Stephen Kaufer	—	—	—	X
Betsy L. Morgan	—	Chair	Chair	—
Jeremy Philips	X	—	—	—
M. Greg O'Hara	—	—	—	—
Albert Rosenthaler	—	—	—	—
Jane Sun	—	—	—	—
Robert S. Wiesenthal	Chair	—	—	—

Audit Committee

The Audit Committee of the Board currently consists of three directors: Ms. Blake and Messrs. Philips and Wiesenthal. Mr. Wiesenthal is the Chairman of the Audit Committee. Each Audit Committee member satisfies the independence requirements under the current standards imposed by the rules of the SEC and Nasdaq. The Board has determined that each of Ms. Blake and Messrs. Philips and Wiesenthal is an "audit committee financial expert," as such term is defined in the regulations promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Audit Committee is appointed by the Board to assist the Board with a variety of matters discussed in detail in the Audit Committee charter, including reviewing and discussing with management standards and/or metrics as recommended by regulators and The Nasdaq Stock Market, including those related to ESG, and monitoring:

- the integrity of our accounting, financial reporting and public disclosures process;
- our relationship with our independent registered public accounting firm, including qualifications, performance and independence;
- the performance of our internal audit department;
- our compliance with legal and regulatory requirements and the Company's compliance policies and programs; and
- the extent to which ESG issues will impact the Company's financial performance and the Company's ability to create long-term value.

The formal report of the Audit Committee with respect to the year ended December 31, 2021, is set forth in the section below titled "Audit Committee Report." The Audit Committee met eight times in 2021.

Compensation Committee	The Compensation Committee currently consists of three directors: Messrs. Hoag and Maffei and Ms. Morgan, with Ms. Morgan serving as the Chairperson of the Compensation Committee. Each member of the Compensation Committee is an “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”). With the exception of Mr. Maffei, each member is an “independent director” as defined by the Nasdaq Rules. No member of the Compensation Committee is an employee of Tripadvisor. The Compensation Committee is responsible for: - designing and overseeing compensation with respect to our executive officers, including salary matters, bonus plans and stock compensation plans; - administrating our stock plans, including approving grants of equity awards but excluding matters governed by Rule 16b-3 under the Exchange Act (which are handled by the Section 16 Committee described below); - periodically reviewing and approving compensation of the members of our Board; and - oversight over the Company’s strategy and policies, programs, initiatives and actions related to human capital management within the Company’s workforce, that include talent recruitment, development and retention, promoting diversity, inclusion, Company culture and employee engagement. A description of our policies and practices for the consideration and determination of executive compensation is included in the section below titled “Compensation Discussion and Analysis.” The Compensation Committee met five times in 2021 and acted by written consent four times.
Section 16 Committee	The Section 16 Committee currently consists of two directors: Mr. Hoag and Ms. Morgan, with Ms. Morgan serving as the Chairperson of the Section 16 Committee. Each member is an “independent director” as defined by the Nasdaq Rules and satisfies the definition of “non-employee director” for purposes of Section 16 of the Exchange Act. The Section 16 Committee is authorized to exercise all powers of the Board with respect to matters governed by Rule 16b-3 under the Exchange Act, including approving grants of equity awards to Tripadvisor’s executive officers. The Section 16 Committee met five times in 2021 and acted by written consent four times. In this Proxy Statement, we refer to the Compensation Committee and Section 16 Committee collectively as the “Compensation Committees.”

Executive Committee	The Executive Committee currently consists of two directors: Messrs. Kaufer and Maffei. The Executive Committee has the powers and authority of the Board, except for those matters that are specifically reserved to the Board under Delaware law or our organizational documents. The Executive Committee primarily serves as a means to address issues that may arise and require Board approval between regularly scheduled Board meetings. The following are some examples of matters that could be handled by the Executive Committee: - oversight and implementation of matters approved by the Board (including any share repurchase program); - administrative matters with respect to benefit plans, transfer agent matters, banking authority, formation of subsidiaries and other administrative items involving subsidiaries and determinations or findings under Tripadvisor's financing arrangements; - in the case of a natural disaster or other emergency as a result of which a quorum of the Board cannot readily be convened for action, directing the management of the business and affairs of Tripadvisor during such emergency or natural disaster; - in connection with the maintenance of a robust governance structure, Board evaluations to identify any areas of risk and/or improvement; and - general oversight over the Company's environmental, social and governance program. The Executive Committee met informally throughout 2021.

Risk Oversight

Assessing and managing the day-to-day risk of our business is the responsibility of Tripadvisor's management. Our Board as a whole is responsible for oversight of our risk management efforts. Our Board is involved in risk oversight through direct decision-making authority with respect to significant matters and the oversight of management by the Board and its committees. The President and Chief Executive Officer; the Chief Financial Officer and the Chief Legal Officer attend Board meetings and discuss operational risks with the Board, including risks associated with the geographies in which we operate or are considering operating. Management also provides reports and presentations on strategic risks to the Board. Among other areas, the Board is involved, directly or through its committees, in overseeing risks related to our overall corporate strategy, business continuity, data privacy and cybersecurity and other technology risks, crisis preparedness and competitive and reputational risks.

The Board has delegated primary responsibility for oversight over certain risks to the Audit Committee and the Compensation Committees. The committees of the Board execute their oversight responsibility for risk management as follows:

- The Audit Committee has primary responsibility for discussing with management Tripadvisor's major financial risks and the steps management has taken to monitor and control such risks. In fulfilling its responsibilities, the Audit Committee receives regular reports from, among others, the Chief Financial Officer, the Chief Legal Officer, the Chief Accounting Officer and Vice President of Tax as well as from representatives of information security, internal audit, the Company's compliance committee and the Company's independent auditors. The Audit Committee makes regular reports to the Board. In addition, Tripadvisor has, under the supervision of the Audit Committee, established procedures available to all employees for the anonymous and confidential submission of complaints relating to any matter to encourage employees to report questionable activities directly to our senior management and the Audit Committee. The Audit Committee also has primary responsibility for oversight over Tripadvisor's significant business risks, including operational, data privacy and cybersecurity risks.

- The Compensation Committees consider and evaluate risks related to our cash and equity-based compensation programs, policies and practices and evaluate whether our compensation programs encourage participants to take excessive risks that are reasonably likely to have a material adverse effect on Tripadvisor or our business. Consistent with SEC disclosure requirements, the Compensation Committees, working with management, have assessed the compensation policies and practices for our employees, including our executive officers, and have concluded that such policies and practices do not create risks that are reasonably likely to have a material adverse effect on Tripadvisor.

Ultimately, management is responsible for the day-to-day risk management process, including identification of key risks and implementation of policies and procedures to manage, mitigate and monitor risks. In fulfilling these duties, management conducts annually an enterprise and internal audit risk assessment and uses the results of these assessments in its risk management efforts. In addition, management has formed a Compliance Committee in connection with the implementation, management and oversight of a corporate compliance program to promote operational excellence throughout the entire organization in adherence with all legal and regulatory requirements and with the highest ethical standards.

Director Nominations

Given the ownership structure of Tripadvisor and our status as a "controlled company," the Board does not have a nominating committee or other committee performing similar functions or any formal policy on director nominations. The Board does not have specific requirements for eligibility to serve as a director of Tripadvisor; however, the Board does consider, among other things, diversity when considering nominees to serve on our Board. We broadly construe diversity to mean diversity of opinions, perspectives, and personal and professional experiences and backgrounds, such as gender, race and ethnicity, as well as other differentiating characteristics. In evaluating candidates, regardless of how recommended, the Board considers a number of factors, including whether the professional and personal ethics and values of the candidate are consistent with those of Tripadvisor; whether the candidate's experience and expertise would be beneficial to the Board in rendering service to Tripadvisor, including in providing a mix of Board members that represent diversity of backgrounds, perspectives and opinions; whether the candidate is willing and able to devote the necessary time and energy to the work of the Board; and whether the candidate is prepared and qualified to represent the best interests of Tripadvisor's stockholders.

Pursuant to a Governance Agreement, LTRIP has the right to nominate a number of directors equal to 20% of the total number of the directors on the Board (rounded up to the next whole number if the number of directors on the Board is not an even multiple of five) for election to the Board so long as certain stock ownership requirements are satisfied. LTRIP has nominated Messrs. Maffei and O'Hara as nominees for 2022. The other nominees to the Board were recommended by the Chairman and then were considered and recommended by the entire Board.

The Board does not have a formal policy regarding the consideration of director candidates recommended by stockholders, as historically Tripadvisor has not received such recommendations. However, the Board would consider such recommendations if made in the future. Stockholders who wish to make such a recommendation should send the recommendation to Tripadvisor, Inc., 400 1st Avenue, Needham, Massachusetts 02494, Attention: Secretary. The envelope must contain a clear notation that the enclosed letter is a "Director Nominee Recommendation." The letter must identify the author as a stockholder, provide a brief summary of the candidate's qualifications and history and be accompanied by evidence of the sender's stock ownership, as well as consent by the candidate to serve as a director if elected. Any director candidate recommendations will be reviewed by the Secretary and, if deemed appropriate, forwarded to the Chairman for further review. If the Chairman believes that the candidate fits the profile of a director nominee as described above, the recommendation will be shared with the entire Board.

Environmental, Social and Governance

We believe there's good out there and when we travel we are reminded that the world is a friendly place, that people are generous, and that we share more in common with our fellow travelers than not. We strive to use our platform to not only help people around the world plan, book and experience their perfect trip but also to be an ally for social good, particularly on environmental, social and governance issues. At Tripadvisor, environmental, social and governance, or ESG, encompasses not only how we govern our business but also how we support our team (including through equity, diversity and inclusion), how we give back to our communities and how we minimize our environmental impacts.

People Practices

We believe a critical driver of our company's success is our people. The Company's management oversees various initiatives for talent acquisition, retention and development and provides regular reports to the Board. We are committed to identifying and developing talent to help our employees accelerate their growth and achieve their career goals. Our overall talent acquisition and retention strategy is designed to attract and retain diverse and qualified employees who will help us achieve our performance goals and ensure the success of the Company.

We recruit the best people for the job without regard to gender, ethnicity or other protected characteristics. As part of our diversity recruiting strategy, a recruiting scorecard was instituted to keep us accountable for our recruiting goals. We support and develop our employees through global training and development programs that build and strengthen employees' leadership and professional skills. Leadership development includes programs for new leaders as well as programs designed to support more experienced leaders. We also partner with external training organizations to help provide our employees with the knowledge and skills they need to succeed.

Our equity, diversity and inclusion (ED+I) initiatives support our goal of championing the diverse identities, abilities, experiences, and voices of our employees, travelers, candidates, business partners, and industry peers. We support inclusion in our workplace through offering learning experiences focused on increasing awareness, reducing bias and fostering a work culture of belonging. We also support a global network of active Employee Resource Groups (ERGs) which provide dedicated space for employees from underrepresented and historically excluded backgrounds to organize around shared experiences, identity and interests. Our ERGs create a sense of belonging through inclusive practices and programming that support personal, professional and organizational growth. From an accountability standpoint, we incorporated ED+I considerations into our year-end performance review process and created company-wide ED+I objectives and key results.

As a result of these efforts, Tripadvisor is consistently rated one of the best places to work and recently earned a 100% on the Human Rights Campaign Foundation's Corporate Equality Index for LGBTQ equality for the fourth consecutive year. Tripadvisor is also proud to sponsor the History of Black Travel created by the Black Travel Alliance in partnership with Tourism Reset to uncover and amplify leisure developments in the African diaspora.

In January 2022, our CEO joined 100 CEOs globally signing Disability:IN's CEO Letter on Disability Inclusion and pledged to take the Disability Equality Index. Disability:IN is a global organization driving diversity, inclusion and equality in business. In the letter, CEOs call on peers to follow their lead and evaluate their corporate inclusion progress by taking the Disability Equality Index, or DEI. DEI is the only global tool for analyzing and measuring disability progress across the enterprise, and gives companies a comprehensive assessment of their own disability inclusion and equality practices.

Corporate Responsibility

Our global corporate responsibility program, an extension of our purpose, is currently focused on supporting responsible business practices in our operations and strengthening our community impact through philanthropy and civic engagement. We believe in mobilizing our people, expertise, resources and community to tackle some of society's most pressing humanitarian challenges. We recognize that by putting our purpose into action, we can have a positive impact on the communities we serve and help promote a world of understanding, empathy and care. For our users, we deliver innovative products and services to give them the confidence and freedom to create memorable experiences that will improve their own lives and the lives of those around them. For our employees, we emphasize a working environment where sustainability matters, and a company culture that embraces diverse talents and unique perspectives, where colleagues feel valued as both individuals and members of the team. For stockholders, we are focused on increasing the fundamental value of our company and driving long-term stockholder value. For communities where we live and work, we are dedicated to improving individual well-being and strengthening families and communities.

The Company established the Tripadvisor Foundation in 2009 to demonstrate its commitment to the communities in which we operate. The Foundation's focus is on harnessing connection and information to inspire civic engagement as well as supporting resilience in areas affected by crisis and displacement. Through its signature commitment area of addressing the global displacement crisis, the Foundation has donated over $10 million to organizations supporting individuals and families fleeing crisis, primarily through its core NGO partners, International Rescue Committee, Mercy Corps and World Central Kitchen. This is inclusive of $4 million in 2021 to support thousands of Afghan newcomers and help rebuild resettlement efforts in the U.S. and globally. In early 2022, we partnered with World Central Kitchen again to establish multiple locations along the Ukraine border and within the country to feed thousands of individuals fleeing violence and seeking refuge. As of April 18, 2022, this initiative with World Central Kitchen had raised nearly $7 million, including $1 million in matching donations from the Tripadvisor Foundation. Since 2010, the Tripadvisor Foundation has invested more than $40 million in communities around the world.

Internally, our TripGives program aims to inspire and enable our employees to be active global citizens by supporting the causes they care about in communities around the world. Through our Give, Serve, Learn model we unite employees around pressing local and global issues and encourage them to lead community projects where they live and work. Starting in 2021, Tripadvisor committed to dedicate funding and resources for our ERGs to launch community impact projects with nonprofits that serve and support these groups.

The Company is committed to respecting human rights. As a global leader in the travel industry, we believe we have an opportunity to use our platform to effect positive change in people's lives, including the advancement of human rights through our business activities. In this regard, in 2021, Tripadvisor adopted a Global Human Rights Policy setting forth our commitment to establishing and maintaining best practices in respecting fundamental human rights and the ability to contribute to positive human rights impacts. The Policy, and the commitments contained therein, formalize our long-standing commitment to uphold and respect human rights for all people. This Policy consolidates our existing commitments and brings increased clarity on processes and procedures to assess and mitigate human rights risks, to avoid directly infringing on human rights and to prevent or mitigate adverse human rights impacts that are or potentially may be linked to our business.

The COVID-19 global pandemic has had a devastating impact on the travel and tourism sector, with the World Travel and Tourism Council forecasting that more than 100 million jobs in the industry around the world at risk, representing a loss of over a third of all tourism-related jobs. In response to the COVID-19 pandemic, we launched multiple initiatives to support our hospitality partners including, but not limited to, a COVID-19 webinar series providing insights and content from industry experts, our Travel Safe initiative allowing hotel properties to share their safety measures in response to the pandemic as well as on our platforms providing travelers with up to date travel information on global destinations. This response also included Foundation donations to World Central Kitchen and Restaurant Workers' Community Foundation and matching donations to support COVID-19 relief efforts, among many other efforts.

Environmental Impact

We recognize that climate change and adverse impacts on the natural world are among the most pressing challenges facing humanity today. Environmental sustainability and how we manage our environmental impacts has implications for the geographies and markets in which we operate, our employees, our business partners, our customers, our investors and other stakeholders. We believe that we all have a responsibility to preserve and protect our planet and communities for generations to come.

Internally, over the last few years, we have invested in energy reduction and waste management strategies across the globe. From an energy emission perspective, we have performed LED upgrades in our global headquarters in the U.S. as well as in our London office. We have also reviewed and matched the central HVAC operations of our spaces to our actual occupancy schedule to minimize the amount of wasted run time on the central plants. In our global headquarters we have installed a cold aisle containment system to reduce the energy consumption related to cooling our internal data center. From a waste management perspective, we have eliminated single use items like utensils, bowls, plates, etc. and replaced them with reusable options. We switched from a single serving style program to a bulk snacking and drinking program which has reduced the number of single serving wrappers and bottles going into the waste stream. In addition, we have installed an Anaerobic Digester in our global headquarters which has diverted over 40,000 pounds of food waste from the waste stream and landfills and generated over 4,000 gallons of clean water that was pumped into the sewer system. We are in the final stages of energizing a 460kW Fuel Cell that we estimate will generate approximately 60% of our electrical consumption and 25% of our electrical demand. We anticipate that the fuel cell will also generate enough heat to offset our base building boiler usage by approximately 80%.

In 2019, Tripadvisor, in partnership with Booking.com, Skyscanner, Trip.com Group, and Visa, founded Travalyst, a non-profit organization working to identify–and help bring about–the systemic changes needed in order for sustainable travel to be taken out of the niche and into the mainstream. We believe that tourism can, and must, play a key role in achieving a sustainable future for our world. We are committed to being a driving force that redefines what it means to travel, helping everyone explore our world in a way that protects both people and places, and secures a positive future for destinations and local communities for generations to come.

Communications with the Board

Stockholders who wish to communicate with the Board or a particular director may send such communication to Tripadvisor, Inc., 400 1st Avenue, Needham, Massachusetts 02494, Attention: Secretary. The mailing envelope must contain a clear notation indicating that the enclosed letter is a “Stockholder-Board Communication” or “Stockholder-Director Communication.” All such letters must identify the author as a stockholder, provide evidence of the sender’s stock ownership and clearly state whether the intended recipients are all members of the Board or certain specified directors. The Secretary will then review such correspondence and forward it to the Board, or to the specified director(s), if deemed appropriate. Communications that are primarily commercial in nature, that are not relevant to stockholders or other interested constituents or that relate to improper or irrelevant topics will generally not be forwarded to the Board or to the specified director(s).

PROPOSAL 2:
RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Overview

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the external accounting firm retained to audit the Company's financial statements. The Audit Committee has retained KPMG LLP ("KPMG") as Tripadvisor's independent registered public accounting firm for the fiscal year ending December 31, 2022.

KPMG has served as Tripadvisor's independent registered public accounting firm continuously since the audit of the Company's financial statements for the fiscal year ended December 31, 2014. In order to assure continuing auditor independence, the Audit Committee periodically considers whether there should be a regular rotation of the independent external audit firm. The members of the Audit Committee and the Board believe that the continued retention of KPMG to serve as the Company's independent external auditor is in the best interest of the Company and its investors. A representative of KPMG is expected to be present at the Annual Meeting, and will be given an opportunity to make a statement if he or she so chooses and will be available to respond to appropriate questions.

If the stockholders fail to vote to ratify the appointment of KPMG, the Audit Committee will reconsider whether to retain KPMG and may retain that firm or another firm without resubmitting the matter to our stockholders. Even if stockholders vote on an advisory basis in favor of the appointment, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of Tripadvisor and our stockholders.

Required Vote

We ask our stockholders to ratify the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2022. This proposal requires the affirmative vote of a majority of the voting power of our shares, present in person or represented by proxy, and entitled to vote thereon, voting together as a single class. With respect to the ratification of KPMG, you may vote "FOR", "AGAINST" or "ABSTAIN". Abstentions will be counted toward the tabulations of voting power present and entitled to vote on the ratification of the independent registered public accounting firm proposal and will have the same effect as votes against the proposal. Brokers have discretion to vote on the proposal for ratification of the independent registered public accounting firm.

THE BOARD RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS TRIPADVISOR'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022.

Fees Paid to Our Independent Registered Public Accounting Firm

KPMG was Tripadvisor's independent registered public accounting firm for the fiscal years ended December 31, 2021 and 2020. The following table sets forth aggregate fees for professional services rendered by KPMG for the years ended December 31, 2021 and 2020.

	2021	2020
Audit Fees (1)	$ 3,994,465	$ 2,411,613
Tax Fees (2)	156,111	303,148
Other Fees (3)	2,730	2,730
Total Fees	$ 4,153,306	$ 2,717,491

(1) Audit Fees include fees and expenses associated with the annual audit of our consolidated financial statements, statutory audits, review of our periodic reports, accounting consultations, review of SEC registration statements, report on the effectiveness of internal control, comfort letters, and consents and other services related to SEC matters. This category also includes non-recurring transaction-related services performed separate from the annual audit.

(2) Tax Fees include fees and expenses for tax compliance, tax planning, and tax advice.

(3) Other Fees include accounting research software.

Audit and Non-Audit Services Pre-Approval Policy

The Audit Committee has responsibility for appointing, setting compensation of, retaining and overseeing the work of the independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has adopted a policy governing the pre-approval of all audit and permitted non-audit services performed by Tripadvisor's independent registered public accounting firm to ensure that the provision of such services does not impair the independent registered public accounting firm's independence from Tripadvisor and our management. Unless a type of service to be provided by our independent registered public accounting firm has received general pre-approval from the Audit Committee, it requires specific pre-approval by the Audit Committee. The payment for any proposed non-audit services in excess of pre-approved cost levels requires specific pre-approval by the Audit Committee.

Pursuant to its pre-approval policy, the Audit Committee may delegate its authority to pre-approve services to one or more of its members, and it has currently delegated this authority to its Chairman, subject to a limit of $250,000 per approval. The decisions of the Chairman (or any other member(s) to whom such authority may be delegated) to grant pre-approvals must be presented to the full Audit Committee at its next scheduled meeting. The Audit Committee may not delegate its responsibilities to pre-approve services to Company management.

All of the audit-related and all other services provided to us by KPMG in 2021 and 2020 were approved by the Audit Committee by means of specific pre-approvals or pursuant to the procedures contained in the Company's pre-approval policy.

The Audit Committee has considered the non-audit services provided by KPMG in 2021 and 2020, as described above, and believes that they are compatible with maintaining KPMG's independence in the conduct of their auditing functions.

AUDIT COMMITTEE REPORT

Management has primary responsibility for our financial statements, reporting process and system of internal control over financial reporting. Tripadvisor's independent registered public accounting firm is engaged to audit and express opinions on the conformity of our financial statements to generally accepted accounting principles, and the effectiveness of Tripadvisor's internal control over financial reporting.

The Audit Committee serves as a representative of the Board and assists the Board in monitoring (i) the integrity of our accounting, financial reporting and public disclosures process, (ii) our relationship with our independent registered public accounting firm, including qualifications, performance and independence, (iii) the performance of our internal audit department; and (iv) our compliance with legal and regulatory requirements. In this context, the Audit Committee met seven times in 2021 and, among other things, took the following actions:

- appointed KPMG as our auditors and discussed with the auditors the overall scope and plans for the independent audit and pre-approved all audit and non-audit services to be performed by KPMG;
- reviewed and discussed with management and the auditors the audited consolidated financial statements for the year ended December 31, 2021, as well as our quarterly financial statements and interim financial information contained in each quarterly earnings announcement prior to public release;
- discussed with the auditors the matters required to be discussed by the Public Company Accounting Oversight Board ("PCAOB") and the SEC, and received all written disclosures and letters required by the applicable requirements of the PCAOB;
- discussed with the auditors its independence from Tripadvisor and Tripadvisor's management as well as considered whether the non-audit services provided by the auditors could impair its independence and concluded that such services would not;
- reviewed and discussed with management and the auditors our compliance with the requirements of the Sarbanes-Oxley Act of 2002 with respect to internal control over financial reporting, together with management's assessment of the effectiveness of our internal control over financial reporting and the auditors' audit of internal control over financial reporting; and
- regularly met with KPMG, with and without management present, to discuss the results of their examinations, including the integrity, adequacy and effectiveness of the accounting and financial reporting processes and controls.

Relying on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2021, and the Board approved such inclusion.

No portion of this Audit Committee Report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, through any general statement incorporating by reference in its entirety the Proxy Statement in which this report appears, except to the extent that Tripadvisor specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed to be "soliciting material" or "filed" under either the Securities Act or the Exchange Act.

Members of the Audit Committee:

Robert S. Wiesenthal (Chairman)
Trynka Shineman Blake
Jeremy Philips

EXECUTIVE OFFICERS

Set forth below is certain background information, as of April 23, 2022, regarding Tripadvisor's executive officers. There are no family relationships among directors or executive officers of Tripadvisor.

Name	Age	Position
Stephen Kaufer	59	Director, President and Chief Executive Officer
Ernst Teunissen	56	Chief Financial Officer and Chief Executive – Viator, The Fork, and Cruise Critic;
Seth J. Kalvert	52	Chief Legal Officer and Secretary
Kanika Soni	43	Chief Commercial Officer

Refer to "Proposal 1: Election of Directors" above for information about our President and Chief Executive Officer Stephen Kaufer. Note, that on November 8, 2021, Tripadvisor announced that President and CEO Stephen Kaufer will step down from his positions at Tripadvisor in 2022.

Ernst Teunissen has served as Chief Financial Officer of Tripadvisor since November 2015 and as Chief Executive – Viator, TheFork and Cruise Critic since March 2021. From October 2009 to October 2015, Mr. Teunissen served in various capacities with Cimpress, N.V. (formerly known as Vistaprint, N.V.), most recently as Executive Vice President and Chief Financial Officer. Before joining Cimpress, Mr. Teunissen was a founder and director of two corporate finance and management consulting firms: Manifold Partners from May 2007 through September 2009 and ThreeStone Ventures Limited from June 2003 through September 2009. Mr. Teunissen began his career in investment banking, holding executive positions in the investment banking divisions of Morgan Stanley and Deutsche Bank. Mr. Teunissen holds an M.B.A. from the University of Oregon and a B.B.A. from Nijenrode University, The Netherlands School of Business.

Seth J. Kalvert has served as Chief Legal Officer and Secretary of Tripadvisor since August 2011. Mr. Kalvert also serves as Secretary and a director of The Tripadvisor Foundation, a private charitable foundation. Prior to joining Tripadvisor, from March 2005 to August 2011, Mr. Kalvert held positions at Expedia, most recently as Vice President and Associate General Counsel. Prior to that, Mr. Kalvert worked at IAC/InterActiveCorp. Mr. Kalvert began his career as an associate at Debevoise & Plimpton, LLP, a New York law firm. Mr. Kalvert also serves on the board of directors of Citizen Schools. Mr. Kalvert holds a J.D. from Columbia Law School and an A.B. from Brown University.

Kanika Soni has served as Chief Commercial Officer of Tripadvisor LLC since January 2020 having previously served as President of Hotels from April 2019 through December 2019. From October 2016 through March 2019, Ms. Soni served as Senior Vice President and General Manager for Global eCommerce for The Walt Disney Company. Prior to Disney, Ms. Soni held leadership positions at Tesla Motors, Gilt Groupe and McKinsey & Company. Ms. Soni holds an M.B.A. from the University of Chicago Booth School of Business and B.A. from Delhi University.

Executive Summary and 2021 Business Highlights

The Board has a Compensation Committee and a Section 16 Committee that together have primary responsibility for establishing the compensation of our named executive officers. We have a pay for performance philosophy that guides all aspects of our compensation decisions. For example:

- annual incentive compensation is structured so that payouts are tied to the achievement of financial and strategic targets;
- the interests of our NEOs are aligned with those of our stockholders through the granting of a substantial portion of compensation in equity awards with key performance metrics and with multi-year vesting requirements; and
- by combining a three- to four-year vesting period for equity awards with policies prohibiting hedging or pledging of such securities, a substantial portion of our executive's compensation package is tied to changes in our stock price, and therefore, is variable for a significant period of time.

In 2021, we continued to face significant challenges resulting from the COVID-19 pandemic, including the various variants, and restrictions on travel but we remained focused on long-term opportunities for Tripadvisor, launching new initiatives and enhancing our product sets. We successfully operated off of a lower cost base, giving us further confidence in the flexibility that our model affords. We exited the year well-positioned to capture our share of the returning travel market and to drive additional growth in emerging opportunities. More specifically, the Company was able to achieve the following:

- Our results reflected the balance of investment in our strategy, continued cost management, and progressive revenue recovery;
- Consolidated revenue in 2021 was $902 million, a significant improvement from the prior year when the pandemic began;
- Net Loss was $148 million and Adjusted EBITDA* was $100 million; and
- Cash flow from operations was $108 million.

*Adjusted EBITDA is a non-GAAP financial measure. Refer to our 2021 Annual Report for a reconciliation of Adjusted EBITDA to Net Income, the most directly comparable financial measure calculated and presented in accordance with U.S. Generally Accepted Accounting Principles.

In sum, we successfully navigated another tough year in our company's history. We believe there is significant pent up demand for travel and that we have positioned the Company to play an important role in the travel recovery.

Compensation Program Objectives

Our compensation program is designed to achieve the following objectives:

- Attract, motivate and retain highly skilled employees with the business experience and acumen that management and the Compensation Committees believe are necessary for the achievement of our long-term business objectives;
- Reward specific short-term and long-term financial and strategic objectives;
- Align our executives' financial interests with the long-term financial interests of our stockholders;

- Ensure that the compensation opportunity provided to these employees remains competitive with the compensation paid to similarly situated employees at comparable companies; and

- Ensure our program design does not encourage our executive officers to take unreasonable risks relating to our business.

To that end, management and the Compensation Committees believe the executive compensation packages provided by Tripadvisor to our named executive officers should include both cash and equity-based compensation.

The table below sets forth information regarding the primary elements of our executive compensation program in 2021, although the Compensation Committees retain discretion to adjust, as appropriate, in light of exigent circumstances:

Compensation Element	Compensation Objective	Performance Metric	Characteristics	Time Horizon
Base Salary	• Attract and retain qualified executives	• None	• Market-competitive, fixed level of compensation	• Annual
Annual Bonus	• Attract and retain qualified executives	• Relative Revenue	• At target, annual incentive provides market-competitive total cash opportunity	• Annual
	• Motivate performance to achieve specific short-term financial and strategic objectives • Align NEOs' and stockholders' interests	• TripPlus Subscriptions	• At-risk compensation	
Equity Awards - Stock Options	• Attract and retain qualified executives	• N/A	• Generally vest over a period of three to four years and serve as a retention glue	• Three to Four years
	• Align NEOs' and stockholders' interests		• Performance-based component in that executives only realize value if the stock price appreciates	
Equity Awards - Service-Based RSUs	• Attract and retain qualified executives	• N/A	• Generally vest over three to four years and serve as a retention glue	• Three to Four years

Roles and Responsibilities

Role of the Compensation and Section 16 Committees

The Compensation Committee is appointed by the Board and consists entirely of directors who are "outside directors" for purposes of Section 162(m) of the Code. The Compensation Committee currently consists of Messrs. Maffei and Hoag and Ms. Morgan, with Ms. Morgan acting as Chairperson of the Compensation Committee. The Compensation Committee is responsible for (i) designing and overseeing our compensation with respect to our executive officers, including salary matters, bonus plans and stock compensation plans; and (ii) approving all grants of equity awards, but excluding matters governed by Rule 16b-3 under the Exchange Act (for which the Section 16 Committee has responsibility as described below). Notwithstanding the foregoing, the Compensation Committee has delegated to the Chief Executive Officer of the Company authority to grant certain types of equity awards, subject to certain limitations, to employees other than executive officers.

The Section 16 Committee is also appointed by the Board and consists entirely of directors who are "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act. The Section 16 Committee currently consists of Mr. Hoag and Ms. Morgan. The Section 16 Committee is responsible for administering and overseeing matters governed by Rule 16b-3 under the Exchange Act, including approving grants of equity awards to our named executive officers. Ms. Morgan is also the Chairman of the Section 16 Committee.

Role of Executive Officers

Management participates in reviewing and refining our executive compensation program. Mr. Kaufer, our President and Chief Executive Officer, annually reviews the performance of Tripadvisor and each named executive officer other than himself with the Compensation Committees and makes recommendations with respect to the appropriate base salary, annual bonus and grants of equity awards for each named executive officer, other than in connection with compensation for himself. Based in part on these recommendations and the other factors discussed below, the Compensation Committees review and approve the annual compensation package of each named executive officer.

Role of Compensation Consultant

Pursuant to the Compensation Committee and Section 16 Committee Charter, the Compensation Committees may retain compensation consultants for the purpose of assisting the Compensation Committees in their evaluation of the compensation for our named executive officers. From 2013 and until July 2021, the Compensation Committees utilized the services of Compensia, Inc., a management consulting firm providing executive compensation advisory services to compensation committees and senior management. In July 2021, the Compensation Committees retained FW Cook, a premier provider of independent executive and non-employee director compensation consulting service to compensation committees and senior management. Compensia and FW Cook have provided objective, independent and expert advice to the Compensation Committees and senior management on matters related to executive pay and performance. More specifically, Compensia and FW Cook provided the following services to the Compensation Committees:

- Assist in developing and annually evaluating a peer group of publicly-traded companies to help assess executive compensation, equity usage relative to peer companies and “new hire” compensation;

- Compile and analyze competitive compensation market data and review all elements of Tripadvisor’s executive compensation to assist the Company in developing a competitive compensation framework for our named executive officers;

- Review the value of equity compensation granted to our executives and advise on matters related to our long-term incentive compensation structure generally as well as any potential engagement or retention grants;

- Provide advice on matters related to director compensation; and

- Provide updates on executive compensation trends and regulatory developments.

While the Compensation Committees meet regularly with the compensation consultant, the Compensation Committees consider input from the compensation consultant as one factor in making decisions with respect to compensation matters, along with information and analysis they receive from management and their own judgment and experience.

Based on consideration of the factors set forth in the rules of the SEC and Nasdaq, the Compensation Committees have determined that their relationships with each of Compensia and FW Cook and the work performed by Compensia and FW Cook on behalf of the Compensation Committees have not raised any conflict of interest. In addition, in compliance with the Compensation Committee and Section 16 Committee Charter, the Compensation Committees approved the fees paid to each of Compensia and FW Cook for work performed in 2021. In 2021, the fees paid to Compensia and FW Cook were more than $175,000 but less than $300,000.

Role of Stockholders

Tripadvisor provides its stockholders with the opportunity to cast an advisory vote to approve the compensation of our named executive officers every three years. In evaluating our 2021 executive compensation program, the

Compensation Committees considered the result of the stockholder advisory vote on our executive compensation (the "say-on-pay vote") held at our Annual Meeting of Stockholders on June 8, 2021, which was approved by approximately 97% of the votes cast.

Both in 2018 and 2021, our stockholders expressed strong support for our executive compensation program in the last say-on-pay vote, which included modifications by the Compensation Committee to our executive compensation program specifically to address concerns raised by our stockholders, the recommendations of major proxy advisory firms, the practices of companies in our peer group and the views of our compensation consultant. Specifically, adopted features and policies that we believe ensure promotion of stockholders' interests and strong corporate governance, including, but not limited to, the following:

- Greater portions of compensation that are incentive based, or "variable," as described in more detail in this section;
- Increased focus on structuring annual bonus and equity awards so that payouts are tied to the achievement of financial targets and strategic objectives;
- Equity awards are subject to a "clawback" policy;
- Robust executive stock ownership guidelines;
- Amendment of our stock plan to prohibit acceleration of equity awards upon a "single trigger" and to provide for "double trigger" arrangements in our change in control provisions and severance arrangements;
- A policy that prohibits hedging, or hedging against losses, of Tripadvisor securities; and
- Provisions in our equity plans that prohibit repricing of stock options without stockholder approval.

We will continue to evaluate ways to ensure that our executive compensation programs compensate our NEOs for performance that furthers our business strategy and initiatives, competitive performance, sound corporate governance principles and stockholder value and return. We will continue to seek to align our NEOs' incentive compensation opportunities to the achievement of short-term and long-term performance objectives that are directly aligned with the interest of our stockholders.

The Compensation Committees will continue to consider the outcome of the say-on-pay vote when making future compensation decisions for our named executive officers.

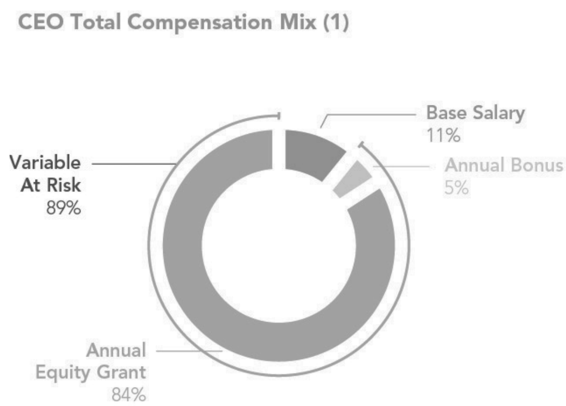
We have historically held a say-on-pay vote every three years and our next say-on-pay vote will occur at our 2024 Annual Meeting. At our 2018 Annual Meeting, stockholders considered and voted upon the frequency of future say-on-pay votes and voted in favor of a say-on-pay vote every three years. Although such vote is advisory and non-binding on Tripadvisor and our Board, the Board will take into account the outcome of this vote in making a determination on the frequency of future say-on-pay votes.

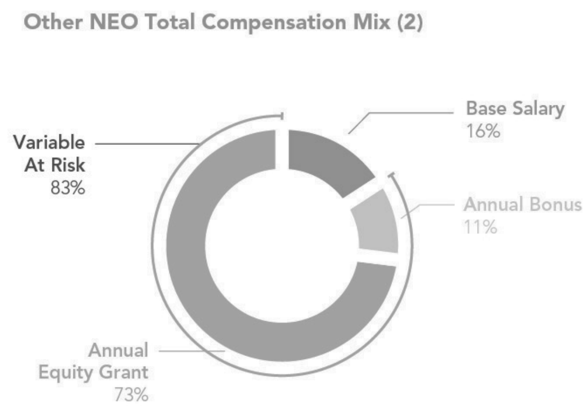
Compensation Program Elements

General

The primary elements of our executive compensation program are base salary, annual cash bonus and long-term incentive compensation in the form of equity awards. The program is designed to closely align executive compensation with performance by allocating a majority of target compensation to performance-based equity awards that directly link the value of executive compensation to our stock price performance and tying annual bonuses to performance.

Our pay-for-performance philosophy is reflected in the charts below showing the key design and structure aspects of our program. All elements of compensation are considered to be performance-based, variable or “at-risk”, with the exception of Base Salary.





(1) CEO Total Compensation consists of (i) 2021 annualized Base Salary as approved by the Compensation Committees; (ii) 2021 Annual Bonus paid as reflected in the Summary Compensation Table; and (iii) the grant date fair value of Mr. Kaufer’s 2021 equity grants.

(2) Other NEO Total Compensation reflects the average of the amounts paid to Messrs. Teunissen and Kalvert and Mmes. Nelson and Soni and consists of (i) 2021 Base Salary as approved by the Compensation Committees; (ii) 2021 Annual Bonus paid as reflected in the Summary Compensation Table; and (iii) the aggregate grant date fair value of the 2021 annual equity awards as disclosed herein.

One of the primary objectives of our compensation philosophy is to design pay opportunities that align with our performance and result in strong long-term value creation for our stockholders. The significant weighting of long-term incentive compensation ensures that our named executive officers’ primary focus is sustained long-term performance, while our short-term incentive compensation motivates consistent annual achievement.

Following recommendations from management or based on other considerations, the Compensation Committees may also adjust compensation for specific individuals at other times during the year when there are significant changes in responsibilities or under other circumstances that the Compensation Committees consider appropriate.

Base Salary

Base salary represents the fixed portion of a named executive officer’s compensation and is intended to provide compensation for expected day-to-day performance. A named executive officer’s base salary is initially determined upon hire or promotion based on a number of factors including, but not limited to, his or her responsibilities, prior experience, and salary levels of other executives within Tripadvisor. Providing a competitive base salary to our executives is essential to achieving our objectives of attracting and retaining talent. Base salary is typically reviewed annually, at which time management makes recommendations to the Compensation Committees based on consideration of a variety of factors including, but not limited to, the following:

- the named executive officer’s total compensation relative to other executives in similarly situated positions;
- his or her individual performance relative to previously established performance goals established;
- competitive compensation market data, when available;
- his or her responsibilities, prior experience and individual compensation history, including any non-standard compensation;

- general economic conditions; and
- the recommendations of the President and Chief Executive Officer (other than in connection with their own compensation).

After careful consideration of the factors discussed above with respect to each of the named executive officers, the Compensation Committees approved base salary changes for our named executive officers. The table below describes, for each NEO, the 2020 base salary, the base salary increase and the 2021 base salary.

Name	2020 (1)	Annual Salary (Increase / Decrease)	2021 (2)
Stephen Kaufer	$ 825,000	$ 25,000	$ 850,000
Ernst Teunissen	$ 510,000	$ 16,000	$ 526,000
Seth Kalvert	$ 480,000	$ 15,000	$ 495,000
Lindsay Nelson	$ 495,000	$ 15,000	$ 510,000
Kanika Soni	$ 495,000	$ 15,000	$ 510,000

(1) Reflects base salary of the NEOs as of December 31, 2020.
(2) Reflects base salary of the NEOs as of December 31, 2021.

Adjustments were made to the annual base salaries of the named executive officers, primarily in response to the scope of responsibilities and the analysis provided by our compensation consultants on competitive compensation market data for executive officers within our peer group in comparable positions.

Annual Bonus

Annual bonuses are awarded to recognize and reward each named executive officer based on achievement of the Company's annual operating plan as well as achievement of any strategic goals or business goals set for such named executive officer and such named executive officer's contributions to the Company's performance. The amount payable each year is based on (i) with respect to 50%, the extent to which certain pre-established financial performance goals are achieved during the year, and (ii) with respect to the remaining 50%, the extent to which individual performance goals established for each named executive officer are achieved during the year. The annual bonus is "variable compensation" because the Company must achieve certain performance goals for the executive officers to receive an annual incentive bonus, with the amount of bonus based on the extent to which the goals are achieved. The annual bonus is designed to motivate our executive officers to improve Company performance. The annual bonus program aligns a portion of executive compensation with key business and financial targets and, as a result, provides a valuable link between compensation and creation of stockholder value.

Unless otherwise provided by the provisions of his or her employment agreement, the target annual bonus opportunities for our named executive officers are generally established by the Compensation Committees, based on competitive market data and recommendations by the President and Chief Executive Officer (other than in connection with his own compensation). In light of the continued impact of the COVID-19 pandemic on our business and after consideration of the views of our stockholders, the practices of other companies in our peer group and the recommendation of our compensation consultant, the Compensation Committees determined that annual incentive bonuses awarded to our named executive officers based on the achievement of pre-established performance goals would be subject primarily to the achievement of performance goals relating to a combination of (i) revenue growth relative to that of our travel-related direct peers and (ii) growth in the Company's subscription business TripadvisorPlus. The Compensation Committee determined these performance metrics were appropriate for 2021 as the Company continued to focus on its recovery, expense management and long-term strategies.

In 2021, the Compensation Committee set the weighting at 50% for individual performance and 50% for performance metrics (with the weighting between these two performance metrics at 50% each); the threshold for payment at 50% of the targets and the maximum payout at 200% of target. The performance metrics (i) growth in Tripadvisor Plus subscriptions, and (ii) revenue growth relative to specific travel-related peers. No payment of the portion of the annual bonus related to the pre-determined performance metrics would occur unless the Company achieved at least 50% of the relative revenue target or 50% of the subscription target. The maximum payout of 200% of the target bonus requires achievement of 120% of the relative revenue growth target and 120% of the subscription target. The annual bonus was designed with such threshold, target and maximum payout goals in order to create more financial incentive for management to achieve a performance range of target or higher. The remaining 50% of each individual's annual bonus target would be paid out based on the extent to which the executive achieved certain individual performance goals.

In February 2022, management recommended payouts for bonuses with respect to the 2021 calendar year for each of our named executive officers after taking into account a variety of factors including, but not limited to, the following:

- Tripadvisor's revenue results for the year relative to the revenue results of our direct travel-related peers;
- Tripadvisor's performance against the strategic initiatives described above and the extent of the executive officers' contributions and efforts with respect to such initiatives;
- the named executive officer's individual performance; and
- the recommendations of the President and Chief Executive Officer (other than in connection with his own compensation).

The table below describes, for each named executive officer, the target bonus for 2021, the actual bonus paid and percentage of bonus paid relative to annual bonus target for each named executive officer.

Name	Target Bonus as % of Base Salary	Target Bonus	Bonus Award	Percentage of Award to Target
Stephen Kaufer	100%	$ 850,000	$ 410,125	48%
Ernst Teunissen	80%	$ 420,800	$ 429,216	102%
Seth Kalvert	80%	$ 396,000	$ 364,320	92%
Lindsay Nelson	90%	$ 459,000	$ 192,780	42%
Kanika Soni	90%	$ 459,000	$ 376,380	82%

Equity Awards

The Compensation Committees use equity awards to align executive compensation with our long-term performance. Equity awards link compensation to financial performance because their value depends on increases in Tripadvisor's share price and/or stockholder return. Equity awards are also an important retention tool because they generally vest over a multi-year period, subject to continued service by the award recipient. Equity awards are typically granted to our named executive officers upon hire or promotion and annually thereafter. Management generally recommends annual equity awards in the first quarter of each year when the Compensation Committees meet to make determinations regarding annual bonuses for the last completed fiscal year and to set target compensation levels for the current fiscal year. The practice of the Compensation Committees is to generally grant equity awards to our named executive officers only in open trading windows.

Under the Company's stock plans, the Compensation Committees may grant a variety of long-term incentive vehicles. The following is a general description of the vehicles we used in 2021:

Service-Based Restricted Stock Units, or RSUs. RSUs are a promise to issue shares of our common stock in the future provided that the named executive officer remains employed with us through the award's vesting period. RSUs provide the opportunity for capital accumulation and long-term incentive value and are intended to assist in satisfying our retention objectives. As a result, RSUs typically vest over a four-year requisite service period.

Stock Options. Stock options have an exercise price equal to the market price of Tripadvisor common stock on the date of grant, and, therefore, provide value to our named executive officers only if our stock price increases. We believe stock options incentivize our named executive officers to sustain increases in stockholder value over extended periods of time. Stock options are also intended to serve as a retention tool so also typically vest over a four-year requisite service period.

In prior years, the Company has granted market-based RSUs, or MSUs and, certain of our named executive officers continue to hold MSUs. The Compensation Committees review various factors considered by management when they establish Tripadvisor's equity award grant pool including, but not limited to, the following:

- Tripadvisor's business and financial performance, including year-over-year performance;
- dilution rates, taking into account projected headcount growth and employee turnover;
- equity compensation utilization by peer companies;
- general economic conditions; and
- competitive compensation market data regarding award values.

For specific awards to our NEOs, management makes recommendations to the Section 16 Committee based on a variety of factors including, but not limited to, the following:

- Tripadvisor's business and financial performance, including year-over-year performance;
- individual performance and future potential of the executive;
- the overall size of the equity award pool;
- award value relative to other Tripadvisor employees;
- the value of previous awards and amount of outstanding unvested equity awards;
- competitive compensation market data, to the degree that the available data is comparable; and
- the recommendations of the President and Chief Executive Officer (other than in connection with his own compensation).

After review and consideration of the recommendations of management and the President and Chief Executive Officer (other than with respect to awards for himself), the Section 16 Committee decides whether to grant equity awards to our NEOs. After consideration of the factors discussed above, in February 2021 the Section 16 Committee granted the equity awards described below to our NEOs other than Mr. Kaufer in connection with our annual equity awards program.

Name	Grant Date Fair Value	Number of Stock Options	Number of RSUs
Stephen Kaufer	$ 602,979	—	13,094
Ernst Teunissen	$ 2,999,962	72,768	32,573
Seth Kalvert	$ 1,999,960	48,512	21,715
Lindsay Nelson	$ 2,399,964	58,215	26,058
Kanika Soni	$ 1,799,924	43,660	19,543

The stock options were granted with an exercise price equal to the closing market price of our common stock on the date of grant. With the exception of the equity award to Mr. Kaufer, the RSUs and stock options were granted subject to the following vesting schedule: (i) the RSUs vest over four years, with 25% of such awards vesting on February 15, 2022 and 6.25% of the remaining award vesting in equal quarterly installments commencing thereafter and for the remaining three years, (ii) 50% of the options vest over four years, with 25% of such awards vesting on February 15, 2022 and 6.25% of the remaining award vesting in equal quarterly installments commencing thereafter, and (iii) the remaining options cliff vest in full on February 15, 2024. The RSUs awarded to Mr. Kaufer cliff vest in fully on February 15, 2023.

While we typically make annual equity grants for long-term incentive to our named executive officers in February of each year, since Mr. Kaufer received a significant equity grant for long-term incentive compensation in November 2017, he did not receive an annual equity grant in 2018, 2019 or 2020 and a relatively modest grant in 2021. As a result, effective December 31, 2021, the Compensation Committees granted to Mr. Kaufer an equity award consisting of time-vested restricted stock units and time-vested non-qualified stock options with a grant date value equal to $5,800,000 in the aggregate based on the closing price of Tripadvisor's common stock on Nasdaq on the grant date. The grant value was significantly smaller than prior long-term incentive award to Mr. Kaufer in recognition of his pending retirement some time in 2022. Specifically, Mr. Kaufer received 106,382 restricted stock units of which 25% are scheduled to vest on August 1, 2022 and the balance is scheduled to vest in quarterly installments over three years thereafter; stock options to purchase 115,200 shares of common stock which are scheduled to vest on the same schedule provided above and stock options to purchase 110,026 shares of common stock which are scheduled to cliff vest in full on August 1, 2024.

Employee Benefits

In addition to the primary elements of compensation described above, our named executive officers also participate in employee benefits programs available to our employees generally, including the Tripadvisor Retirement Savings Plan, a tax-qualified 401(k) plan. Under this plan, Tripadvisor matches 50% of each dollar contributed by a participant, up to the first 6% of eligible compensation, subject to tax limits. As part of cost-cutting measures in response to the COVID-19 pandemic, the Company halted its 401(k) match for three months in 2020; however, this match was reinstated in September 2020.

In addition, we provide other benefits to our named executive officers on the same basis as all of our domestic employees generally. These benefits include group health (medical, dental, and vision) insurance, group disability insurance, and group life insurance. Tripadvisor also sponsors a Global Personal Travel Reimbursement program generally available to all employees, including our named executive officers, which provides for reimbursement of up to $750 per year for qualifying leisure travel. In addition, Tripadvisor sponsors a "wellness benefit" generally available to all employees, including our named executive officers, that provides for reimbursement of up to $600 per year for qualifying health-related expenses.

In situations where a named executive officer is required to relocate, Tripadvisor provides relocation benefits, including reimbursement of moving expenses, temporary housing and other relocation expenses as well as a tax gross-up payment on the relocation benefits. Ms. Nelson received certain relocation support in 2019 in connection with her relocation from New York to our corporate headquarters in Needham, Massachusetts. In 2019, Ms. Soni relocated from California to our corporate headquarters in Needham, Massachusetts and received certain relocation support in 2019. These Company benefits are described further in the Summary Compensation Table and neither Ms. Nelson nor Ms. Soni continue to receive such relocation benefits.

Compensation-Related Policies

Executive Compensation Recovery, or "Clawback," Provisions

Tripadvisor has an executive compensation recovery, or clawback, provision in our form of award agreements providing for recoupment of equity compensation. Each of Tripadvisor's equity award documents provide that, under certain circumstances, the employee agrees that certain equity securities issued to such employee (whether or not vested) may be forfeited and cancelled in their entirety upon such termination of employment. In such event, Tripadvisor may cause the employee to either (i) return the equity securities or shares of common stock issued upon exercise or vesting of such securities, or (ii) pay to Tripadvisor an amount equal to the aggregate amount, if any, that the employee had previously realized in respect of any and all shares of common stock acquired upon exercise or vesting of such equity awards.

We intend to adopt a general clawback policy covering our annual and long-term incentive award plans and arrangements or amend our existing documents once the SEC adopts final rules implementing the requirement of Section 954 of the Dodd-Frank Act.

Insider Trading and Hedging Policy

Tripadvisor has adopted an Insider Trading Policy covering our directors, officers, employees and consultants that is designed to ensure compliance with relevant SEC regulations, including insider trading rules. Tripadvisor's Insider Trading Policy also prohibits directors, officers, employees and consultants from engaging in various types of transactions in which they may profit from short-term speculative swings in the value of Tripadvisor securities. These transactions include "short sales" (or selling borrowed securities which the sellers hopes can be purchased at a lower price in the future), "put" and "call" options (or publicly available rights to sell or buy securities within a certain period of time at a specified price or the like) and hedging transactions, such as zero-cost collars and forward sale contracts. The policy also prohibits the pledge or use of company securities as collateral in a margin account or collateral for a loan.

Stock Ownership Guidelines

In October 2015, the Board adopted guidelines which require that our named executive officers and members of our Board own shares of our common stock to further align their interests with those of our stockholders. These guidelines were reviewed in January 2019, after which revised guidelines were approved. These guidelines require that our named executive officers and directors must directly hold securities having market or intrinsic value which is equal to or greater than a specified multiple of his or her base salary or cash retainer, as set forth below:

- For our President and Chief Executive Officer, six times his annual base salary;
- For all other named executive officers, three times his or her annual base salary; and
- For each non-employee director, three times his or her annual cash retainer.

For purpose of these calculations, historically 100% of shares of common stock and 50% of vested "in-the-money" stock options are counted; however, in April 2022, the Board amended the stock ownership guidelines to provide that only 100% of the value of shares of common stock held could be counted and that no value would be attributed to vested "in-the-money" stock options. Individuals subject to these guidelines are required to achieve the relevant ownership threshold on or before the later of January 30, 2024, or five years after commencing service as a named executive officer or director.

These stock ownership guidelines were established after consideration of the Compensation Committees' review of market practices of other companies in the Company's peer group with respect to stock ownership guidelines and in an effort to enhance risk mitigation and to more closely align the interests of the Company's executive officers and Board members with those of the Company's stockholders.

Code of Business Conduct and Ethics

In February 2021, our Board adopted an amended and restated Code of Business Conduct and Ethics applicable to all of our directors, officers, employees, consultants and independent contractors. A copy of the Code of Business Conduct and Ethics is posted on our website at http://ir.Tripadvisor.com/corporate-governance.

Role of Competitive Compensation Market Data

Management considers multiple data sources when reviewing compensation information to ensure that the data reflects compensation practices of relevant companies in terms of size, industry and geographic location. Among other factors, management considers the following information in connection with its recommendations to the Compensation Committees regarding compensation for our named executive officers:

- Data from salary and equity compensation surveys that include companies of a similar size, based on market capitalization, revenues and other factors; and

- Data regarding compensation for certain executive officer positions from recent proxy statements and other SEC filings of peer companies, which include: (i) direct industry competitors, and (ii) non-industry companies with which Tripadvisor commonly competes for talent (including both regional and national competitors).

The Compensation Committees annually retain our compensation consultant to regularly review the compensation peer group and to recommend possible changes. Our business model is specialized in that we use our innovative technology systems and software to attract users and then facilitate transactions between our business partners and those users. Accordingly, our compensation consultant identified comparable companies focusing on publicly-traded companies in the business to consumer ("B2C") and software industries as well as revenue and market capitalization.

Following the COVID-19 pandemic, our compensation consultants reviewed the peer group again noting that not all of the Company's peers were as impacted by the pandemic as the Company and other peers. On February 2, 2021, based on input from Compensia, the Compensation Committees approved the peer group for purposes of reviewing and considering our executive officers' 2021 base salaries, 2021 annual bonus targets, and 2021 annual equity awards. The newly-approved peer group differed from the prior peer group in that we eliminated four companies (Ansys, Citrix, Match Group, and Twitter) and added four companies (Box, Hubspot, Redfin, and Sabre) in order to more closely position Tripadvisor near the 50th percentile of its peer group in terms of pre-COVID revenue and market capitalization. We subsequently deleted Grubhub after it was taken private in June 2021 and the removal had no tangible impact on the peer group. At the time the peer group was approved, Tripadvisor's revenue, EBITDA and market cap were low relative to the peer group. In February 2021 when the peer group was approved and again in October 2021, when our peer group was re-evaluated, the Compensation Committees determined that the peer group was appropriate, noting that they believed that the current revenue and profitability measures understated the Company's ongoing size, complexity and scope of operations.

The following is a list of the companies that constituted our peer group in 2021:

Company Name	Revenue (trailing 12 months) (1)	Market Cap (as of August 31, 2021)
Akamai Technologies	$ 3,335	$ 18,440
ANGI	$ 1,557	$ 5,365
Booking Holdings	$ 7,179	$ 94,424
Box	$ 812	$ 3,936
CarGurus	$ 688	$ 3,566
Cimpress plc	$ 2,593	$ 2,380
Etsy	$ 2,148	$ 27,373
Expedia Group	$ 5,781	$ 21,793
Groupon	$ 1,177	$ 731
HubSpot	$ 1,073	$ 32,174
IAC/InterActiveCorp	$ 3,378	$ 11,783
Redfin	$ 1,221	$ 5,096
Sabre	$ 1,339	$ 3,623
Stitch Fix	$ 2,101	$ 4,490
Yelp	$ 943	$ 2,833
Zillow Group	$ 3,974	$ 24,272
Zynga	$ 2,520	$ 9,663
Tripadvisor Inc.	**$ 625**	**$ 4,809**

(1) Represents revenue in the twelve months commencing the third quarter of 2020 and through the second quarter of 2021.

When available, management and the Compensation Committees consider competitive market compensation paid by peer group companies but do not attempt to maintain a certain target percentile within the compensation peer group or otherwise rely solely on such data when making recommendations to the Compensation Committees regarding compensation for our named executive officers. Management and the Compensation Committees strive to incorporate flexibility into our executive compensation program and the assessment process to respond to and adjust for the evolving business environment and the value delivered by our named executive officers.

Post-Employment Compensation

The Company has entered into employment arrangements with each of Messrs. Kaufer, Kalvert and Teunissen and Mss. Nelson and Soni. Pursuant to these agreements, each of our named executive officers is eligible to receive certain severance payments and benefits in the event of a qualifying termination of employment. The material terms of these employment agreements are described below under the heading "Potential Payments Upon Termination or Change in Control." Ms. Nelson resigned from the Company, effective February 28, 2022. For further information regarding the severance payments and benefits received in connection with her resignation, please see "Potential Payments Upon Termination or Change in Control" below.

We believe that a strong, experienced management team is essential and in the best interests of the Company and our stockholders. In addition, we recognize that the possibility of a change in control could arise and that such an event could result in the departure of our senior leaders to the detriment of the Company and our stockholders. As a result, in 2017 we adopted a severance plan applicable to certain senior leaders (the "Severance Plan"). The Severance Plan formalizes and standardizes our severance practices for certain of our senior leaders. Adoption of the Severance Plan was approved by the Compensation Committees. The Severance Plan applies to all named executive officers, including Mr. Kaufer, as well as certain other senior leaders. While the benefits are generally consistent with the severance benefits provided for in individual employment agreements, there are some differences. Under the terms of the Severance Plan, in the event of any conflict or inconsistency between the terms of any employment agreement and the Severance Plan, the terms more beneficial to the executive shall prevail. For a description and quantification of change in control payments and benefits for our named executive officers, please see the section below entitled "Potential Payments Upon Termination or Change in Control."

The 2018 Stock and Annual Incentive Plan (the "2018 Plan") provides only for "double trigger" acceleration (i.e., acceleration upon termination by the Company other than for Cause or disability or resignation for Good Reason, in each case within three months prior to and 12 months following a change in control). The 2018 Plan also provides for acceleration of all equity awards upon the death of a participant. Please see "Estimated Potential Incremental Payments" below for further information regarding the treatment of equity awards held by our Named Executive Officers upon certain circumstances.

Tax Considerations

Section 162(m) of the Code generally precludes a tax deduction by any publicly-held company for compensation paid to the top executive officers, where the compensation deduction for any affected officer exceeds $1 million. Prior to 2018, there were many exemptions from this deduction-disallowance provision, which were nearly all eliminated by The Tax Cuts and Jobs Act of 2017 (the "2017 Tax Act"). After 2017, the class of covered officers was expanded to cover the CFO, and a rule was added to keep any top officer in the compensation-disallowance group, even after the officer retired. In addition, the 2017 Tax Act extended the disallowance rules to stock options, bonuses, and other "performance based compensation." After 2026, the class of affected executives will be increased by 5 more highly compensated employees, even if they are not company officers. Thus more people, and more types of compensation, are potentially subject to disallowance after 2017. However, a special transition rule ensures that compensation paid under a binding contract in effect on or before November 2, 2017 that is not thereafter materially modified, continues to be eligible for the potential exemptions from these section 162(m) disallowance rules. We have identified the compensation for our executives that is grandfathered under the transition rule, so as to protect against material modifications where possible. However, we have not adopted a policy that all compensation must qualify as deductible under Section 162(m), because such a policy would substantially limit our ability to attract and retain executives. Going forward, we intend to continue to design our executive compensation arrangements to be consistent with our best interests and those of our stockholders, even though tax deductions may be lost as a result of Congress's elimination of the expansion of the covered employee group and the elimination of the exception for performance-based compensation.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee consists of Messrs. Maffei and Hoag and Ms. Morgan and the Section 16 Committee consists of Mr. Hoag and Ms. Morgan. None of Messrs. Maffei and Hoag or Ms. Morgan was an officer or employee of Tripadvisor, formerly an officer of Tripadvisor, or an executive officer of an entity for which an executive officer of Tripadvisor served as a member of the compensation committee or as a director during the one-year period ended December 31, 2021.

During the last fiscal year, none of our executive officers served as: (1) a member of the compensation committee (or other committee of the board of directors performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our Compensation Committee; (2) a director of another entity, one of whose executive officers served on our Compensation Committee; or (3) a member of the compensation committee (or other committee of the board of directors performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on our Board.

Compensation Committees Report

This report is provided by the Compensation Committee and the Section 16 Committee, or the Compensation Committees, of the Board. The Compensation Committees have reviewed the Compensation Discussion and Analysis and discussed that analysis with management. Based on this review and discussions with management, the Compensation Committees recommended to the Board that the Compensation Discussion and Analysis be included in Tripadvisor's 2022 Proxy Statement.

No portion of this Compensation Committees Report shall be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, through any general statement incorporating by reference in its entirety the Proxy Statement in which this report appears, except to the extent that Tripadvisor specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed to be "soliciting material" or "filed" under either the Securities Act or the Exchange Act.

Members of the Compensation Committee:	*Betsy L. Morgan (Chairperson)* *Jay C. Hoag* *Gregory B. Maffei*
Members of the Section 16 Committee:	*Betsy L. Morgan (Chairperson)* *Jay C. Hoag*

CEO PAY RATIO

Overview

The SEC adopted rules requiring annual disclosure of the ratio of the annual total compensation of a company's principal executive officer to such company's median employee's total annual compensation, excluding the principal executive officer for purposes of this calculation. The purpose of this disclosure is to provide a measure of the equitability of pay within the organization.

The 2021 annual total compensation of our median employee, excluding Mr. Kaufer, our President and CEO, was estimated to be $101,065. The 2021 annual total compensation of our President and CEO, as reported in our Summary Compensation Table, was $7,676,612. The ratio of the annual total compensation of our President and CEO to that of our median employee was approximately 76 to 1. We believe this pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules. Please note the following information to provide important context related to our employee population and to describe the methodology and the material assumptions, adjustments and estimates that we used to calculate this ratio.

- Tripadvisor is a global company, with complex operations worldwide and many of our employees are located outside of the United States. As of December 31, 2021, our workforce consisted of approximately 2,700 full-time and part-time employees, including hourly employees. Approximately 35% of the Company's employees are located in the United States, with 50% of the Company's employees located in Europe and the remaining 15% throughout the rest of the world. We selected December 31, 2021 as the date upon which we would identify the "median employee," because it enabled us to make such identification in a reasonably efficient and economical manner.

- We included all full-time, part-time and temporary employees globally, excluding our President and CEO. We annualized compensation of 756 full-time and part-time employees who were hired in 2021 but did not work for us for the entire fiscal year. Earnings of our employees outside the U.S. were converted to U.S. dollars using the currency exchange rates used for organizational planning purposes, which consider historic and forecasted rates as well as other factors. We did not make any cost of living adjustments.

- Our compensation measure, which is consistently applied and used to identify our median employee, was annualized base salary, short-term bonus at target and annual long-term equity incentive at target.

- We identified employees within $250 of the median 2021 annual total compensation and excluded those employees who had anomalous compensation characteristics.

Because the SEC rules for identifying the median employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices, the pay ratio reported by other companies may not be comparable to our pay ratio, as other companies have offices in different countries, employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their pay ratios.

Summary Compensation

The following table sets forth certain information regarding the compensation earned by each of our named executive officers for services rendered in 2021, 2020 and 2019.

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Stephen Kaufer	2021	849,808	—	3,502,979	2,900,000	410,125	13,700	7,676,612
President and Chief Executive Officer	2020	184,039	—	—	—	721,875	13,550	919,464
	2019	820,192	—	—	—	424,545	1,210,941	2,455,678
Ernst Teunissen	2021	525,808	—	1,499,987	1,499,975	429,216	8,700	3,963,686
Chief Financial Officer and	2020	511,000	—	1,743,033	562,496	348,840	8,337	3,173,706
Chief Executive - Viator, TheFork and CruiseCritic	2019	486,154	—	4,699,961	624,982	335,003	175,592	6,321,692
Seth J. Kalvert	2021	494,827	—	999,976	999,984	364,320	15,050	2,874,157
Chief Legal Officer and Secretary	2020	481,500	—	2,394,394	449,993	297,600	12,131	3,635,618
	2019	462,116	—	3,683,944	474,992	317,911	207,186	5,146,149
Kanika Soni	2021	509,885	—	899,955	899,969	376,380	9,550	2,695,739
Chief Commercial Officer	2020	496,616	—	2,644,397	449,993	327,443	8,800	3,927,249
	2019	345,231		4,367,699	1,999,999	632,000	261,254	7,606,183
Lindsay Nelson (5)	2021	509,885	—	1,199,971	1,199,993	192,780	8,700	3,111,329
Chief Experience and Brand Officer	2020	496,616	—	3,144,402	449,993	363,083	9,550	4,463,644
	2019	481,096	—	2,719,986	499,990	619,187	126,126	4,446,385

(1) The amounts for annual bonus awards paid to the NEOs pursuant to the Company's incentive plan are reflected in the "Non-Equity Incentive Plan Compensation" column.

(2) The amounts reported represent the aggregate grant date fair value of awards granted in the year indicated, calculated in accordance with FASB ASC Topic 718. We have disclosed the assumptions made in the valuation of the awards in "Note 15 - Stock Based Awards and Other Equity Instruments" in the notes to our consolidated financial statements in our 2021 Annual Report. For MSUs granted, the value reported reflects the estimated grant-date fair value of the awards based upon a Monte-Carlo simulation model, which simulated the present value of the potential outcomes of future stock prices and TSR of the Company as measured against the Nasdaq Composite Total Return Index over the performance period. The value of Mr. Teunissen's 2020 and 2019 MSUs at the grant date, assuming the highest level of the performance conditions was achieved, is $1,236,067 and $1,493,626, respectively. The value of Mr. Kalvert's 2020 and 2019 MSUs at the grant date, assuming the highest level of the performance conditions was achieved, is $988,853 and $1,135,114, respectively. The value of Ms. Nelson's 2020 and 2019 MSUs at the grant date, assuming the highest level of the performance conditions was achieved, is $988,853 and $1,194,924, respectively. The value of Ms. Soni's 2020 MSUs at the grant date, assuming the highest level of the performance conditions was achieved, is $988,853.

(3) For a description of the annual cash bonus program, please see "Annual Bonus" in Compensation, Discussion and Analysis.

(4) Refer to the "2021 All Other Compensation" table below for information regarding the 2021 amounts reported.
(5) Ms. Nelson resigned from the Company effective February 28, 2022. See additional details below.

2021 All Other Compensation

Name	Matching Charitable Donation ($)(a)	Employer Retirement Contributions ($)(b)	Other ($)	Total ($)
Stephen Kaufer	5,000	8,700	—	13,700
Ernst Teunissen	—	8,700	—	8,700
Seth J. Kalvert	5,000	8,700	1,350	15,050
Kanika Soni	—	8,700	850	9,550
Lindsay Nelson	—	8,700	—	8,700

(a) Represents matching charitable contributions made by the Company on behalf of the named executive officers.

(b) Represents matching contributions under the Tripadvisor Retirement Savings Plan as in effect through December 31, 2021, pursuant to which Tripadvisor matches $0.50 for each dollar a participant contributes, up to the first 6% of eligible compensation, subject to certain limits.

Equity Compensation Plan Information

The following table provides information as of December 31, 2021 regarding shares of common stock that may be issued under Tripadvisor's equity compensation plans consisting of the 2018 Plan, the Viator, Inc. 2010 Stock Incentive Plan and the Deferred Compensation Plan for Non-Employee Directors.

	Equity Compensation Plan Information		
Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted Average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	11,577,255 (1)	$ 47.03 (2)	16,858,950
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	11,577,255	—	16,858,950

(1) Includes (i) 5,670,829 shares of common stock issuable upon the exercise of outstanding options, of which 3,472 shares were granted pursuant to options under the Viator, Inc. 2010 Stock Incentive Plan, (ii) 5,786,405 shares of common stock issuable upon the vesting of RSUs, (iii) 120,021 shares of common stock issuable upon the vesting of MSUs (assuming target performance is achieved).

(2) Since RSUs and MSUs do not have an exercise price, such units are not included in the weighted average exercise price calculation.

Grants of Plan-Based Awards

While we typically make annual equity grants for long-term incentive compensation to our executive officers in February of each year, Mr. Kaufer has not historically received annual equity grants and, instead, received a significant equity grant for long-term incentive compensation in November 2017. In light of this grant, the Section 16 Committee did not grant to Mr. Kaufer any plan-based awards in 2018, 2019 or 2020; however, effective December 31, 2021, the Compensation Committees awarded to Mr. Kaufer an award consisting of time-vested restricted stock units and time-vested non-qualified stock options.

The table below provides information regarding the plan-based awards granted in 2021 to our NEOs under our 2018 Plan.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards($)			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise Price or Base Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)(1)
		Threshold	Target	Maximum				
Stephen Kaufer								
RSUs (2)	2/23/2021	—	—	—	13,094	—	—	602,979
Annual Bonus	2/23/2021	425,000	850,000	1,700,000	—	—	—	—
Stock Options (2)	12/31/2021	—	—	—	—	225,226	27.26	2,900,000
RSUs (2)	12/31/2021	—	—	—	106,382	—	—	2,900,000
Ernst Teunissen								
Stock Options (2)	2/23/2021	—	—	—	—	72,768	46.05	1,499,975
RSUs (2)	2/23/2021	—	—	—	32,573	—	—	1,499,987
Annual Bonus	2/23/2021	210,400	420,800	841,600	—	—	—	—
Seth J. Kalvert								
Stock Options (2)	2/23/2021	—	—	—	—	48,512	46.05	999,984
RSUs (2)	2/23/2021	—	—	—	21,715	—	—	999,976
Annual Bonus	2/23/2021	198,000	396,000	792,000	—	—	—	—
Kanika Soni								
Stock Options (2)	2/23/2021	—	—	—	—	43,660	46.05	899,969
RSUs (2)	2/23/2021	—	—	—	19,543	—	—	899,955
Annual Bonus	2/23/2021	229,500	459,000	918,000	—	—	—	—
Lindsay Nelson								
Stock Options (2)	2/23/2021	—	—	—	—	58,215	46.05	1,199,993
RSUs (2)	2/23/2021	—	—	—	26,058	—	—	1,199,971
Annual Bonus	2/23/2021	229,500	459,000	918,000	—	—	—	—

(1) The amounts reported represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 and may not correspond to the actual value that will be realized by the executive. See footnote (2) in the Summary Compensation Table above for more information regarding the determination of the grant date fair value of these awards.

(2) For a description of the vesting terms of these awards, please see "Outstanding Equity Awards at Fiscal Year-End" below.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding the holdings of all equity awards held by our named executive officers as of December 31, 2021. The market value of the RSUs is based on the closing price of Tripadvisor common stock on Nasdaq on December 31, 2021, the last trading day of the year, which was $27.26 per share.

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested ($)(13)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(13)
Stephen Kaufer	5/4/2012	250,000	—	36.70	5/4/2022	—	—	—	—
	8/28/2013	1,100,000	—	69.02	8/28/2023	—	—	—	—
	2/22/2016	5,756	—	59.61	2/22/2026	—	—	—	—
	2/27/2017	13,759	—	39.31	2/27/2027	—	—	—	—
	11/28/2017(1)	390,000	390,000	31.21	11/28/2027	—	—	—	—
	11/28/2017(1)	—	—	—	—	239,112	6,518,193	—	—
	2/23/2021(2)	—	—	—	—	13,094	356,942	—	—
	12/31/2021(3)	—	—	—	—	106,382	2,900,000	—	—
	12/31/2021(3)	—	115,200	27.26	12/31/2031	—	—	—	—
	12/31/2021(4)	—	110,026	27.26	12/31/2031	—	—	—	—
Ernst Teunissen	12/1/2015	141,424	—	79.43	12/1/2025	—	—	—	—
	2/27/2017	144,227	—	39.31	2/27/2027	—	—	—	—
	2/22/2018(5)	26,556	8,852	38.15	2/22/2028	—	—	—	—
	2/22/2018(5)	—	—	—	—	8,423	229,611	—	—
	2/27/2019(5)	14,001	14,000	50.63	2/27/2029	—	—	—	—
	2/27/2019(5)	—	—	—	—	12,961	353,317	—	—
	2/25/2020(6)	24,269	31,204	25.62	2/25/2030	—	—	—	—
	2/25/2020(6)	—	—	—	—	24,701	673,349	—	—
	2/25/2020(7)	—	—	—	—	—	—	21,955	598,493
	2/23/2021(8)	—	35,511	46.05	2/23/2031	—	—	—	—
	2/23/2021(6)	—	37,257	46.05	2/23/2031	—	—	—	—
	2/23/2021(6)	—	—	—	—	32,573	887,940	—	—
Seth J. Kalvert	5/4/2012	34,347	—	36.70	5/4/2022	—	—	—	—
	2/28/2013	50,473	—	42.04	2/28/2023	—	—	—	—
	2/21/2014	24,526	—	93.42	2/21/2024	—	—	—	—
	2/26/2015	22,601	—	86.36	2/26/2025	—	—	—	—
	2/22/2016	34,950	—	59.61	2/22/2026	—	—	—	—
	2/27/2017	43,776	—	39.31	2/27/2027	—	—	—	—
	2/27/2017	79,324	—	39.31	2/27/2027	—	—	—	—
	2/22/2018(5)	20,183	6,727	38.15	2/22/2028	—	—	—	—
	2/22/2018(5)	—	—	—	—	6,402	174,519	—	—
	2/27/2019(5)	10,641	10,640	50.63	2/27/2029	—	—	—	—
	2/27/2019(5)	—	—	—	—	9,850	268,511	—	—
	2/25/2020(9)	38,830	5,548	25.62	2/25/2030	—	—	—	—
	2/25/2020(9)	—	—	—	—	4,391	119,699	—	—
	2/25/2020(7)	—	—	—	—	—	—	17,564	478,795
	8/11/2020(10)	—	—	—	—	45,187	1,231,798	—	—
	2/23/2021(8)	—	23,674	46.05	2/23/2031	—	—	—	—
	2/23/2021(6)	—	24,838	46.05	2/23/2031	—	—	—	—
	2/23/2021(6)	—	—	—	—	21,715	591,951	—	—
Kanika Soni	4/15/2019(11)	47,989	47,988	48.92	4/15/2029	—	—	—	—
	4/15/2019(11)	—	—	—	—	32,122	875,646	—	—
	2/25/2020(9)	38,830	5,548	25.62	2/25/2030	—	—	—	—
	2/25/2020(9)	—	—	—	—	4,391	119,699	—	—
	2/25/2020(7)	—	—	—	—	—	—	17,564	478,795
	8/11/2020(10)	—	—	—	—	56,484	1,539,754	—	—
	2/23/2021(8)	—	21,306	46.05	2/23/2031	—	—	—	—
	2/23/2021(6)	—	22,354	46.05	2/23/2031	—	—	—	—
	2/23/2021(6)	—	—	—	—	19,543	532,742	—	—

Lindsay Nelson	10/30/2018(12)	72,204	24,068	47.17	10/30/2028	—	—	—	—
	10/30/2018(12)	—	—	—	—	11,077	301,959	—	—
	2/27/2019(5)	11,201	11,200	50.63	2/27/2029	—	—	—	—
	2/27/2019(5)	—	—	—	—	10,368	282,632	—	—
	2/25/2020(9)	38,830	5,548	25.62	2/25/2030	—	—	—	—
	2/25/2020(9)	—	—	—	—	4,391	119,699	—	—
	2/25/2020(7)	—	—	—	—	—	—	17,564	478,795
	8/11/2020(10)	—	—	—	—	79,078	2,155,666	—	—
	2/23/2021(8)	—	28,409	46.05	2/23/2031	—	—	—	—
	2/23/2021(6)	—	29,806	46.05	2/23/2031	—	—	—	—
	2/23/2021(6)	—	—	—	—	26,058	710,341	—	—

(1) Vests in two equal installments on each of August 1, 2021 and August 1, 2022.

(2) Vests 25% commencing on February 15th of the first year following the date of grant and 6.25% of the remaining shares shall vest in equal quarterly installments commencing thereafter.

(3) Vests 25% on August 1, 2022 and 6.25% of the remaining shares shall vest in equal quarterly installments commencing thereafter.

(4) Vests 100% on August 1, 2024, following thirty-one months of continued service from date of the grant.

(5) Vests in four equal annual installments commencing on February 15th of the first year following the date of grant.

(6) Vests 25% commencing on February 15th of the first year following the date of grant and 6.25% of the remaining shares shall vest in equal quarterly installments commencing thereafter.

(7) Represents the target number of shares to be issued assuming that, for the period from January 1, 2020 through December 31, 2022, the Company's total stockholder return, or TSR, is 100% of the TSR of the Nasdaq Composite Total Return. Award vests December 31, 2022 and will settle shortly following certification of achievement of the performance criteria. Depending on the Company's performance, the executive may receive no awards, the target amount reflected above or up to 200% of the target amount reflected.

(8) Vests 100% on February 15, 2024, following thirty-six months of continued service from date of the grant.

(9) Vests over a period of two years with 50% vesting on February 15th of the first year following the date of grant and 12.50% vesting in equal quarterly installments commencing thereafter.

(10) Vests 100% on August 11, 2022, following twenty-four months of continued service from date of the grant.

(11) Vests in four equal annual installments commencing on April 15th of the first year following the date of grant.

(12) Vests in four equal annual installments commencing on October 30th of the first year following the date of grant.

(13) The amounts reported in this column represent the market value of shares or units of stock that have not vested calculated by multiplying the number of stock awards that have not vested by $27.26, the closing price of the Company's common stock on The Nasdaq Stock Market as of December 31, 2021, the last trading day in 2021.

Option Exercises and Stock Vested

The following table sets forth information regarding the vesting of stock awards held by the named executive officers during 2021. None of our NEOs exercised stock options during 2021.

Name	Exercise or Vest Date	Stock Awards Number of Shares Acquired on Vesting (1)	Value Realized on Vesting ($)(2)
Stephen Kaufer	7/30/2021	239,112	9,155,598
Ernst Teunissen	2/12/2021	13,111	484,845
	2/12/2021	8,423	311,483
	2/12/2021	6,481	239,667
	2/12/2021	10,977	405,929
	5/14/2021	2,744	112,230
	6/15/2021	16,389	666,377
	8/13/2021	2,744	97,412
	11/15/2021	2,745	84,519
	12/20/2021	42,415	1,089,217
Seth Kalvert	2/12/2021	4,916	181,794
	2/12/2021	6,401	236,709
	2/12/2021	4,926	182,163
	2/12/2021	17,564	649,517
	5/14/2021	4,391	179,592
	6/15/2021	9,013	366,469
	8/13/2021	4,391	155,881
	11/15/2021	4,391	135,199
	12/20/2021	34,098	875,637
Kanika Soni	2/12/2021	17,564	649,517
	2/12/2021	16,062	843,737
	5/14/2021	4,391	179,592
	8/13/2021	4,391	155,881
	11/15/2021	4,391	135,199
	12/20/2021	16,633	427,135
Lindsay Nelson	2/12/2021	5,185	191,741
	2/12/2021	17,564	649,517
	5/14/2021	4,391	179,592
	8/13/2021	4,391	155,881
	10/29/2021	11,078	369,119
	11/15/2021	4,391	135,199
	12/20/2021	16,633	427,135

(1) The amounts reported in this column represent the gross number of shares acquired upon the vesting of RSUs without taking into account any shares that may have been withheld to satisfy applicable tax obligations.

(2) The amounts reported in this column represent the aggregate dollar value realized upon the vesting of RSUs calculated by multiplying the gross number of RSUs vested by the closing price of Tripadvisor common stock on The Nasdaq Stock Market on the vesting date or, if the vesting occurred on a day on which The Nasdaq Stock Market was closed for trading, the next trading day.

Non-Qualified Deferred Compensation

We do not currently have any other defined contribution or other plan that provides for deferred compensation on a basis that is not tax-qualified for our employees.

Potential Payments Upon Termination or Change in Control

We have entered into employment agreements with each of Messrs. Kaufer, Kalvert and Teunissen and offer letters with Lindsay Nelson and Kanika Soni. Pursuant to these agreements, each of our named executive officers is eligible to receive certain severance payments and benefits in the event of a qualifying termination of employment. The material terms of these employment agreements are described below.

We believe that a strong and experienced management team is essential and in the best interests of our company and our stockholders. In addition, we recognize that the possibility of a change in control could arise and that such an event could result in the departure of our senior leaders to the detriment of the Company and our stockholders. As a result, we adopted the Severance Plan applicable to certain senior leaders. The plan formalizes and standardizes our severance practices for our most senior leaders. Adoption of the Severance Plan was approved by the Compensation Committees. The Severance Plan applies to all named executive officers, including Mr. Kaufer. While the benefits are generally consistent with the severance benefits provided for in individual employment agreements, there are some differences. In addition, under the terms of the Severance Plan, in the event of any conflict or inconsistency between the terms of any employment agreement and the Severance Plan, the terms more beneficial to the officer will prevail.

Change of Control Provisions

The 2018 Plan provides that, unless otherwise specified in the applicable award agreement, upon a named executive officer's termination of employment by the Company within 30 days prior to or the two-year period following a Change in Control other than for "Cause" or "Disability," or by the participant for "Good Reason," as each term is defined in the plans, the following shall occur:

- stock options and stock appreciation rights held by such participant will automatically become fully exercisable and will remain exercisable until the later of (i) the last day on which such option or stock appreciation right is exercisable as specified in the applicable award agreement or (ii) the earlier of the first anniversary of the change in control and the expiration of the term of the option or stock appreciation right; and

- all other awards will become fully vested (with any performance-based awards being deemed met at target) and the restrictions and conditions on all other awards will automatically be deemed waived.

Stephen Kaufer Employment Arrangement

In March 2014, Tripadvisor, LLC entered into an employment agreement with Mr. Kaufer, with an original term of five years. This agreement was amended effective November 28, 2017 to, among other things, extend the term to March 31, 2023.

Pursuant to the employment agreement, in the event that Mr. Kaufer's employment terminates by reason of his death or disability, then:

- Tripadvisor will pay Mr. Kaufer (or his estate) his base salary through the end of the month in which the termination occurs;

- Any outstanding unvested equity awards that vest less frequently than annually shall be treated as though such awards vested annually; and

- Any unvested stock options held by Mr. Kaufer at the time of termination shall remain exercisable through the earlier of 18 months following termination or the scheduled expiration of such options.

Pursuant to the employment agreement, in the event that Mr. Kaufer terminates his employment for Good Reason or is terminated by Tripadvisor without Cause and such termination occurs during the period commencing three months immediately prior to a Change in Control and ending 24 months immediately following the Change in Control (in each case as such terms are defined in the employment agreement and below), then:

- Tripadvisor will pay Mr. Kaufer cash severance in a lump sum equal to 24 months of his base salary;

- Tripadvisor will pay Mr. Kaufer in a monthly cash amount equal to the premiums charged by Tripadvisor to maintain COBRA health insurance coverage for him and his eligible dependents for each month between the date of termination and 18 months thereafter;

- Tripadvisor will pay to Mr. Kaufer a lump sum in cash equal to his annual target bonus, without pro-ration or adjustment;

- All equity awards held by Mr. Kaufer that are outstanding and unvested shall immediately vest in full; and

- Mr. Kaufer will have 18 months following such date of termination of employment to exercise any vested stock options (including stock options accelerated pursuant to the terms of his employment agreement) or, if earlier, through the scheduled expiration date of the options.

Pursuant to the employment agreement, in the event that Mr. Kaufer terminates his employment for Good Reason or is terminated by Tripadvisor without Cause and such termination is not in connection with a Change in Control, then:

- Tripadvisor will continue to pay Mr. Kaufer's base salary through 12 months following the date of termination;

- Tripadvisor will consider in good faith the payment of an annual bonus on a pro rata basis based on actual performance during the year of termination;

- Tripadvisor will pay COBRA health insurance coverage for Mr. Kaufer and his eligible dependents for 12 months following termination;

- All equity awards held by Mr. Kaufer that otherwise would have vested during the 12-month period following termination of employment, will accelerate and become fully vested and exercisable (provided that awards that vest less frequently than annually will be treated as though such awards vested annually);

- Any equity awards that do not vest in connection with a termination of employment shall remain outstanding for three months following termination, provided that there will be no additional vesting with respect to such awards unless a Change in Control occurs within such three-month period; and

- Mr. Kaufer will have 18 months following such date of termination to exercise any vested stock options (including stock options accelerated pursuant to the terms of his employment agreement) or, if earlier, through the scheduled expiration date of the options.

The agreement also provides that a non-renewal of the employment agreement or expiration of the term will be treated as a termination of employment without Cause or resignation for Good Reason not in connection with a Change in Control, entitling Mr. Kaufer to the severance benefits described above under his employment agreement. In addition, receipt of the severance payments and benefits set forth above is contingent upon Mr. Kaufer executing and not revoking a separation and release in favor of Tripadvisor. Each of the payments set forth above shall be offset by the amount of any cash compensation earned by Mr. Kaufer from another employer during the 12 months following his termination of employment.

With respect to Mr. Kaufer's equity awards granted in August 2013 and thereafter, either Mr. Kaufer agreed to waive the single trigger acceleration right upon a Change in Control or the award was issued pursuant to the 2018 Plan which did not include this benefit. As a result, Mr. Kaufer's awards will only accelerate upon a "double trigger."

With respect to Mr. Kaufer's RSUs and Options granted on December 31, 2021, Mr. Kaufer will remain eligible to continue to vest in such equity awards following the termination of his employment, other than for cause, and such awards would accelerate and vest in full upon Mr. Kaufer's death, in each case, with the Options remaining exercisable for the earlier of the expiration date of the Options and the four-year anniversary of Mr. Kaufer's termination of employment. Mr. Kaufer's RSUs and Options would accelerate and vest upon a termination without Cause or resignation for Good Reason that occurs within twelve (12) months immediately following the Change in Control (each case as such terms are defined in the employment agreement and below). The foregoing treatment is subject to Mr. Kaufer's continued compliance with his restrictive covenant obligations, including the non-competition and non-solicitation obligations described immediately below.

Mr. Kaufer has also agreed to be restricted from competing with Tripadvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, during the term of his employment and through the period ending 18 months after the termination of employment.

Ernst Teunissen Employment Arrangement

On October 6, 2015, the Company entered into an agreement with Mr. Teunissen, effective November 9, 2015. Such employment agreement commenced on November 9, 2015 and was to expire on March 31, 2018, unless sooner terminated in accordance with its terms. This agreement was amended effective November 28, 2017 to, among other things, extend the term to March 31, 2021. This agreement was amended again on May 8, 2020, to, among other things, extend the term to May 31, 2022 and provide for a target payment, to be paid in cash or shares of the Company's common stock (in the Company's sole discretion), in an amount equal to the difference between a maximum payment of $7 million and the aggregate intrinsic value of Mr. Teunissen's equity awards that were scheduled to vest between May 1, 2020 and May 31, 2022, as measured using the average market price of the Company's common stock for ten trading days immediately prior to May 31, 2022.

Pursuant to the employment agreement, as amended, with Mr. Teunissen, in the event that his employment terminates by reason of his death or disability, he will be entitled to continued payment of base salary through the end of the month in which the termination occurs. In the event that he terminates his employment for Good Reason or is terminated by Tripadvisor without Cause (in each case, as such terms are defined in the employment agreement and below), then:

- Tripadvisor will continue to pay his base salary through the longer of (i) 12 months following the termination date, and (ii) the remaining term of the employment agreement up to a maximum of 18 months, in each case provided that such payments will be offset by any amount earned from another employer during such time period;

- Tripadvisor will consider in good faith the payment of any annual bonus on a pro rata basis based on actual performance for the year in which termination of employment occurs;

- Tripadvisor will pay COBRA health insurance coverage for Mr. Teunissen and his eligible dependents through the longer of the end of the term of his employment agreement and 12 months following termination;

- All equity awards held by Mr. Teunissen that otherwise would have vested during the 12-month period following termination of employment, will accelerate and become fully vested and exercisable (provided that equity awards that vest less frequently than annually shall be treated as though such awards vested annually); and

- Mr. Teunissen will have 18 months following such date of termination or employment to exercise any vested stock options (including stock options accelerated pursuant to the terms of his employment agreement) or, if earlier, through the scheduled expiration date of the options.

The agreement also provides that a non-renewal of the employment agreement or expiration of the term will be treated as a termination of employment without Cause or resignation for Good Reason not in connection with a Change of Control, entitling Mr. Teunissen to benefits under his employment agreement.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. Teunissen executing and not revoking a separation and release in favor of Tripadvisor. In addition, Mr. Teunissen agreed to be restricted from competing with Tripadvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, through the longer of (i) the completion of the term of the employment agreement and (ii) 12 months after the termination of employment.

Seth J. Kalvert Employment Arrangement

Effective May 19, 2016, the Company entered into an employment agreement with Mr. Kalvert that is subject to a two-year term, although this agreement was amended effective February 19, 2018 to, among other things, extend the term to March 31, 2021. Effective March 29, 2021, Mr. Kalvert's employment agreement was replaced and superseded in its entirety by a new letter agreement. The terms of the new letter agreement are generally consistent with those originally provided for in the employment agreement and are described below.

Pursuant to the employment arrangement with Mr. Kalvert, in the event that he terminates his employment for Good Reason or is terminated by Tripadvisor without Cause (in each case as such terms are defined in the employment agreement and below), then:

- Tripadvisor will continue to pay his base salary for 12 months following the termination date, provided that such payments will be offset by any amount earned from another employer during such time period;

- Tripadvisor will consider in good faith the payment of bonuses on a pro rata basis based on actual performance for the year in which termination of employment occurs;

- Tripadvisor will pay COBRA health insurance coverage for Mr. Kalvert and his eligible dependents until the earlier of 12 months following termination or the date Mr. Kalvert becomes re-employed or otherwise ineligible for COBRA coverage;

- All equity awards held by Mr. Kalvert that otherwise would have vested during later of the 12-month period following termination of employment or August 31, 2022, will accelerate and become fully vested and exercisable (provided that equity awards that vest less frequently than annually shall be treated as though such awards vested annually); and

- Mr. Kalvert will have 18 months following such date of termination or employment to exercise any vested stock options (including stock options accelerated pursuant to the terms of his employment agreement) or, if earlier, through the scheduled expiration date of the options.

In the event that his employment terminates by reason of his death, Mr. Kalvert will be entitled to continued payment of base salary through the end of the month in which such death occurs. In the event Mr. Kalvert is absent from full-time performance of his duties due to Disability, the Company will continue to pay through a Termination of Employment, Mr. Kalvert's base salary offset by any amounts payable during such period under any disability insurance plan or policy provided by the Company. In addition, any outstanding equity awards will continue to vest during such period and until a Termination of Employment.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. Kalvert executing and not revoking a separation and release in favor of Tripadvisor. In addition, Mr. Kalvert agreed to be restricted from competing with Tripadvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, through one year after the effective date of the termination of employment.

Lindsay Nelson Employment Arrangement

On September 25, 2018, the Company entered into an offer letter with Lindsay Nelson with a start date effective November 5, 2018. Pursuant to the employment arrangement, Ms. Nelson is entitled to the benefits of the Company's Severance Plan for senior leaders as described in more detail below. Simultaneously with entering into the new offer letter, Ms. Nelson entered into a Non-Disclosure, Developments and Non-Competition Agreement, pursuant to which Ms. Nelson agreed to be restricted from competing with Tripadvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, through one year after the effective date of the termination of employment.

Effective November 16, 2021, the Company and Lindsay Nelson entered into a Separation Agreement pursuant to which they agreed that Ms. Nelson would leave her position as Chief Brand and Marketing Officer of the Company effective January 9, 2022. Thereafter, Ms. Nelson served the Company in an advisory role through February 28, 2022. The Separation Agreement provided that, for purposes of the Company's Severance Plan, Ms. Nelson's departure was treated as a termination of employment without Cause as of January 9, 2022. In addition to the benefits to which Ms. Nelson is entitled under these circumstances pursuant to Section 3.1 of the Severance Plan, Ms. Nelson also received the following benefits:

- During the period from January 10, 2022 through February 28, 2022 (the "Transition Period"), Ms. Nelson continued to serve as a part-time employee of the Company working on such projects as determined by the Company's Chief Executive Officer. In consideration for such service, during the Transition Period, Ms. Nelson (i) received a reduced salary of $2,000 bi-weekly; (ii) continued to be eligible to participate in the employee benefit plans made available by the Company to its employees, including vacation and sick time; and (iii) was treated as an employee for purposes of the 2018 Plan. Following the Transition Period, all issued but unvested equity awards held by Ms. Nelson were cancelled.
- The Company also agreed to consider in good faith the payment of an annual bonus based on actual performance for 2021; such amount to be paid (if any) and calculated in the same manner as 2021 earned corporate bonuses are calculated for the Company's employees generally and at the same time as 2021 earned corporate bonuses are paid to the Company's employees and will be subject to the approval of the Compensation Committee of the Board. As described above, the Compensation Committees ultimately determined to pay Ms. Nelson an annual bonus for 2021 in the amount of $192,780.

In connection with such termination, Ms. Nelson executed a separation and release in favor of Tripadvisor.

Kanika Soni Employment Arrangement

On February 1, 2019, the Company entered into an offer letter with Kanika Soni with a start date effective April 15, 2019. Pursuant to the employment arrangement, Ms. Soni is entitled to the benefits of the Company's Severance Plan for senior leaders as described in more detail below. Simultaneously with entering into the new offer letter, Ms. Soni entered into a Non-Disclosure, Developments and Non-Competition Agreement, pursuant to which Ms. Soni agreed to be restricted from competing with Tripadvisor or any of its subsidiaries or affiliates or soliciting their employees, consultants, independent contractors, customers, suppliers or business partners, among others, through one year after the effective date of the termination of employment.

On February 18, 2022, the Compensation Committees approved a change to the severance arrangements for certain senior leaders, including Kanika Soni, such that, in the event of a Termination of Employment without Cause or resignation for Good Reason, in either case not in connection with a Change in Control, then any compensation awards of the executive based on, or in the form of, Company equity (e.g. restricted stock, restricted stock units, stock options or similar instruments) ("Equity Awards") that are outstanding and unvested at the time of such termination but which would, but for a termination of employment, have vested during the 12 months following such termination (such period, the "Equity Acceleration Period") shall vest (and, with respect to awards other than stock options and stock appreciation rights, settle) as of the date of such termination of employment; provided that any outstanding Equity Award with a vesting schedule that would, but for a termination of employment, have resulted in a smaller percentage (or none) of the Equity Award being vested through the end of such Equity Acceleration Period than if it vested annually pro rata over its vesting period shall, for purposes of this provision, be treated as though it vested annually pro rata over its vesting period (e.g., if 100 RSUs were granted 2.7 years prior to the date of the termination and vested pro rata on each of the first five anniversaries of the grant date and 100 RSUs were granted 1.7 years prior to the date of termination and vested 100% on the fifth anniversary of the grant date, then on the date of termination 20 RSUs from the first award and 40 RSUs from the second award would vest and settle); provided further that any amount that would vest under this provision but for the fact that outstanding performance conditions have not been satisfied shall vest (and, with respect to awards other than stock options and stock appreciation rights, settle) only if, and at such point as, such performance conditions are satisfied; and provided further that if any Equity Awards made subsequent to the Effective Date of this Agreement specifies a more favorable post-termination vesting schedule for such equity, the terms of the award agreement for such Equity Award shall govern.

Definitions

Cause means: (i) the plea of guilty or nolo contendere to, or conviction for, a felony offense by the executive; provided, however, that after indictment, Tripadvisor may suspend the executive from rendition of services but without limiting or modifying in any other way Tripadvisor's obligations under the applicable employment agreement, (ii) a material breach by the executive of a fiduciary duty owed to Tripadvisor or its subsidiaries, (iii) material breach by the executive of certain covenants of the applicable employment agreement, (iv) the willful or gross neglect by the executive of the material duties required by the applicable employment agreement or (v) a knowing and material violation by the executive of any Tripadvisor policy pertaining to ethics, legal compliance, wrongdoing or conflicts of interest that, in the cases of the conduct described in clauses (iv) and (v) above, if curable, is not cured by the executive within 30 days after the executive is provided with written notice thereof.

Change in Control means any of the following events:

(i) The acquisition by any individual entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), other than LTRIP and its affiliates (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of equity securities of the Company representing more than 50% of the voting power of the then outstanding equity securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by the Company, (B) any acquisition directly from the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii); or

(ii) Individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the purchase of assets or stock of another entity (a "Business Combination"), in each case, unless immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of the then outstanding combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, (B) no Person (excluding LTRIP and its respective affiliates, any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) will beneficially own, directly or indirectly, more than a majority of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership of the Company existed prior to the Business Combination and (C) at least a majority of the members of the board of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination will have been members of the Incumbent Board at the time of the initial agreement, or action of the Board, providing for such Business Combination; or

(iv) Approval by our stockholders of a complete liquidation or dissolution of the Company.

Good Reason means the occurrence of any of the following without the executive's prior written consent: (A) Tripadvisor's material breach of any material provision of the applicable employment agreement, (B) the material reduction in the executive's title, duties, reporting responsibilities or level of responsibilities in such executive's position at Tripadvisor, (C) the material reduction in the executive's base salary or the executive's total annual compensation opportunity, or (D) the relocation of the executive's principal place of employment more than 20 miles outside of their location of employment; provided that in no event shall the executive's resignation be for Good Reason unless (x) an event or circumstance set forth in clauses (A) through (D) shall have occurred and the executive provides Tripadvisor with written notice thereof within 30 days after the executive has knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that the executive believes constitutes Good Reason, (y) Tripadvisor fails to correct the event or circumstance so identified within 30 days after receipt of such notice, and (z) the executive resigns within 90 days after the date of delivery of the notice referred to in clause (x) above.

Notwithstanding the terms of the employment arrangements described above, under the terms of the Severance Plan in the event of any conflict or inconsistency between the terms of any employment agreement and the Severance Plan, the terms more beneficial to the employee shall prevail. For a description and quantification of the estimated potential payments in the event of a termination without Cause, resignation for Good Reason, Change in Control and termination without Cause or resignation for Good Reason in connection with a Change in Control, please see the section above entitled "Potential Payments Upon Termination or Change in Control." The amounts reflected in this table reflect the "better of" the terms between the employment arrangements, the 2018 Plan and the Severance Plan.

Severance Plan

Effective August 7, 2017, the Company adopted the Severance Plan applicable to certain senior leaders of the Company. The Severance Plan formalizes and standardizes the Company's severance practices for certain designated employees. Employees covered by the Severance Plan generally will be eligible to receive severance benefits in the event of a termination by the Company without Cause or, under certain circumstances, resignation by the employee for Good Reason. If a termination of employment occurs in connection with a Change in Control, the participants would generally be eligible to receive enhanced severance benefits. The severance benefits provided pursuant to the Severance Plan are determined based on the job classification of the employees and, in certain cases, his or her years of service with the Company.

Under the Severance Plan, in the event of a termination by the Company without Cause more than three months prior to a Change in Control or more than 12 months following a Change in Control, the severance benefits for the employee generally shall consist of the following:

- continued payment of base salary for a period ranging from six to 18 months following the date of such employee's termination of employment (in such case, based on the employee's classification within the organization and years of service); and
- continuation of coverage under the Company's health insurance plan through the Company's payment of COBRA premiums for a period ranging from six to 18 months following the date of such employee's termination of employment (in such case, based on the employee's classification within the organization and years of service).

Under the Severance Plan, in the event of a termination by the Company without Cause or by the employee for Good Reason, in each case within three months prior to or 12 months following a Change in Control, the severance benefits for the participant shall consist of the following:

- payment of a lump sum amount equal to (i) a minimum of 12 and up to 24 months of the participant's base salary, plus (ii) the participant's target bonus multiplied by 1, 1.5 or 2 (in each case, based on employee's classification within the organization and years of service); and
- payment of a lump sum amount equal to the premiums required to continue the participant's medical coverage under the Company's health insurance plan for a period ranging from 12 to 24 months (in such case, based on employee's classification within the organization and years of service).

The foregoing summary is qualified in its entirety by reference to the Severance Plan incorporated herein by reference to Exhibit 10.22 to the Company's 2017 Annual Report.

Estimated Potential Incremental Payments

The table below reflects the estimated amount of incremental compensation payable to each of our named executive officers in the following circumstances: (i) termination of employment as a result of death of the NEO; (ii) a termination of employment by Tripadvisor without Cause not in connection with a Change in Control, (iii) resignation by him or her for Good Reason not in connection with a Change in Control, (iv) a Change in Control or (v) a termination of employment by Tripadvisor without Cause or by him or her for Good Reason in connection with a Change in Control. No benefits are payable upon a resignation by the NEO without Good Reason, termination of employment by Tripadvisor for Cause. Upon a termination of employment for Disability or retirement, no benefits are provided, other than an extension of time for the exercise of any outstanding options.

The amounts shown in the table (i) assume that the triggering event was effective December 31, 2021; (ii) are based on the terms of the employment arrangements in effect as of December 31, 2021 and do not reflect any subsequent amendments; and (iii) are based on the "better of" such employment arrangements or the terms of the Severance Plan. The price of Tripadvisor common stock on which certain calculations are based was $27.26 per share, the closing price of Tripadvisor's common stock on Nasdaq on December 31, 2021. These amounts are estimates of the incremental amounts that would be paid out to each NEO upon such triggering event. The actual amounts to be paid out can only be determined at the time of the triggering event, if any.

Name and Benefit	Death ($) (1)	Termination Without Cause ($)	Resignation for Good Reason ($)	Change in Control ($)	Termination w/o Cause or for Good Reason in connection with Change in Control ($)	Equity Awards Vesting Post Termination other than Death
Stephen Kaufer						
Salary	—	1,275,000	1,275,000	—	1,700,000	—
Bonus (2)	—	410,125	410,125	—	1,700,000	—
Equity Awards (3)(4)	10,354,583	6,930,074	6,930,074	5,564,152	9,563,004	2,632,955
Health & Benefits (5)	—	42,517	42,517	—	56,689	—
Total estimated value	10,354,583	8,657,716	8,657,716	5,564,152	13,019,693	2,632,955
Ernst Teunissen						
Salary	—	526,000	526,000	—	789,000	—
Bonus (2)	—	429,216	429,216	—	631,200	—
Equity Awards (3)	2,490,172	993,242	993,242	—	1,946,786	—
Health & Benefits (5)	—	28,734	28,734	—	43,100	—
Total estimated value	2,490,172	1,977,192	1,977,192	—	3,410,086	—
Seth J. Kalvert						
Salary	—	495,000	495,000	—	742,500	—
Bonus (2)	—	364,320	364,320	—	594,000	—
Equity Awards (3)	2,601,448	1,742,499	1,742,499	—	2,166,739	—
Health & Benefits (5)	—	28,007	28,007	—	42,011	—
Total estimated value	2,601,448	2,629,826	2,629,826	—	3,545,250	—
Kanika Soni						
Salary	—	510,000	510,000	—	765,000	—
Bonus (2)	—	376,380	376,380	—	688,500	—
Equity Awards (3)	3,220,074	—	—	—	2,785,365	—
Health & Benefits (5)	—	9,435	9,435	—	14,152	—
Total estimated value	3,220,074	895,815	895,815	—	4,253,017	—
Lindsay Nelson (6)						
Salary	—	510,000	510,000	—	765,000	—
Bonus (2)	—	192,780	192,780	—	688,500	—
Equity Awards (3)	3,676,266	—	—	—	3,241,557	—
Health & Benefits (5)	—	19,657	19,657	—	29,486	—
Total estimated value	3,676,266	722,437	722,437	—	4,724,543	—

(1) Pursuant to the Company's 2018 Plan, upon a participant's termination of employment by reason of death, any award that was unvested at the time of death shall automatically vest, including performance awards which shall vest at target.

(2) Represents actual bonus amount for 2021, the payment of which the Company must consider in good faith, pursuant to the terms of the employment agreement.

(3) In the event of a Change in Control, the stock options, RSUs and MSUs granted to the CEO in connection with the 2017 CEO Award and the MSUs granted to the other NEOs will be treated as though they vested daily over the vesting period and the vesting will accelerate with respect to those awards that would have vested as of the effective date of the Change in Control under this scenario.

(4) Pursuant to their terms, certain of Mr. Kaufer's RSUs and Options granted on December 31, 2021 will continue to vest post-termination of employment and accelerate and vest in full upon his death.

(5) Assumes extension of benefits or payment of the cost of benefits for a period of time following termination, pursuant to the terms of the employment agreement or the Severance Plan.

(6) As noted above, Ms. Nelson left her position as Chief Brand and Marketing Officer of the Company, effective January 9, 2022, and thereafter, Ms. Nelson served the Company in an advisory role through February 28, 2022. Her actual severance benefits received in connection with her termination and advisor role are described above in "Lindsay Nelson Employment Arrangement" above.

DIRECTOR COMPENSATION

Overview

The Board sets non-employee director compensation which is designed to provide competitive compensation necessary to attract and retain high quality non-employee directors and to encourage ownership of Tripadvisor common stock to further align their interests with those of our stockholders. Each non-employee director of Tripadvisor is eligible to receive the following compensation:

- An annual cash retainer of $50,000, paid in equal quarterly installments;
- An RSU award with a value of $250,000 (based on the closing price of Tripadvisor's common stock on Nasdaq on the date of grant), upon such director's election to office, subject to vesting in full on the first anniversary of the grant date and, in the event of a Change in Control (as defined in the 2018 Plan and above), full acceleration of vesting;
- An annual cash retainer of $20,000 for each member of the Audit Committee (including the Chairman) and $15,000 for each member of the Compensation Committees (including the Chairman); and
- An additional annual cash retainer of $10,000 for each of the Chairman of the Audit Committee and the Chairman of the Compensation Committees.

We also pay reasonable travel and accommodation expenses of the non-employee directors in connection with their participation in meetings of the Board.

Tripadvisor employees do not receive compensation for serving as directors. Accordingly, Mr. Kaufer does not receive any compensation for his service as a director.

Non-Employee Director Deferred Compensation Plan

Under Tripadvisor's Non-Employee Director Deferred Compensation Plan, the non-employee directors may defer all or a portion of their directors' fees. Eligible directors who defer their directors' fees may elect to have such deferred fees (i) applied to the purchase of share units representing the number of shares of Tripadvisor common stock that could have been purchased on the date such fees would otherwise be payable or (ii) credited to a cash fund. If any dividends are paid on Tripadvisor common stock, dividend equivalents will be credited on the share units. The cash fund will be credited with deemed interest at an annual rate equal to the average "bank prime loan" rate for such year identified in the U.S. Federal Reserve Statistical Release. Upon termination of service as a director of Tripadvisor, a director will receive (i) with respect to share units, such number of shares of Tripadvisor common stock as the share units represent and (ii) with respect to the cash fund, a cash payment. Payments upon termination will be made in either one lump sum or up to five installments, as elected by the eligible director at the time of the deferral election.

2021 Non-Employee Director Compensation Table

The following table shows the compensation information for the non-employee directors of Tripadvisor for the year ended December 31, 2021:

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)(3)	Total ($)
Gregory B. Maffei	65,000	249,983	314,983
Jay C. Hoag	65,000	249,983	314,983
Betsy L. Morgan	70,000	249,983	319,983
M. Greg O'Hara	50,000	249,983	299,983
Jeremy Philips	75,000	249,983	324,983
Albert Rosenthaler	50,000	249,983	299,983
Trynka Shineman Blake	75,000	249,983	324,983
Jane Jie Sun	50,000	249,983	299,983
Robert S. Wiesenthal	80,000	249,983	329,983

(1) The amounts reported in this column represent the annual cash retainer amounts for services in 2021, including fees with respect to which directors elected to defer and credit towards the purchase of share units representing shares of the Company common stock pursuant to the Company's Non-Employee Director Deferred Compensation Plan.

(2) The amounts reported in this column represent the aggregate grant date fair value of RSU awards computed in accordance with FASB ASC Topic 718, and therefore may not correspond to the actual value that will be recognized by the non-employee directors from their awards.

(3) As of December 31, 2021, each of the directors held 6,002 RSUs.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Beneficial Ownership Table

The following table presents information as of April 18, 2022, relating to the beneficial ownership of Tripadvisor's capital stock by (i) each person or entity known to Tripadvisor to own beneficially more than 5% of the outstanding shares of Tripadvisor's common stock or Class B common stock, (ii) each director and director nominee of Tripadvisor, (iii) the named executive officers and (iv) our executive officers and directors, as a group. In each case, except as otherwise indicated in the footnotes to the table, the shares are owned directly by the named owners, with sole voting and dispositive power. Unless otherwise indicated, beneficial owners listed in the table may be contacted at Tripadvisor's corporate headquarters at 400 1st Avenue, Needham, Massachusetts 02494.

Shares of Tripadvisor Class B common stock may, at the option of the holder, be converted on a one-for-one basis into shares of Tripadvisor common stock; therefore, the common stock column below includes shares of Class B common stock held by each such listed person, entity or group, and the beneficial ownership percentage of each such listed person assumes the conversion of all Class B common stock into common stock. For each listed person, entity or group, the number of shares of Tripadvisor common stock and Class B common stock and the percentage of each such class listed also include shares of common stock and Class B common stock that may be acquired by such person, entity or group on the conversion or exercise of equity securities, such as stock options, which can be converted or exercised, and RSUs that have or will have vested, within 60 days of April 18, 2022, but do not assume the conversion or exercise of any equity securities (other than the conversion of the Class B common stock) owned by any other person, entity or group.

The percentage of votes for all classes of Tripadvisor's capital stock is based on one vote for each share of common stock and ten votes for each share of Class B common stock. There were 126,819,417 shares of common stock and 12,799,999 shares of Class B common stock outstanding on April 18, 2022.

Beneficial Owner	Common Stock Shares		Common Stock %	Class B Common Stock Shares		Class B Common Stock %	Percent (%) of Votes (All Classes)
5% Beneficial Owners							
Liberty TripAdvisor Holdings, Inc. 12300 Liberty Boulevard Englewood, CO 80112	29,245,893	(1)	20.9%	12,799,999	(1)	100%	56.7%
PAR Investment Partners, L.P. 200 Clarendon Street, FL 48, Boston, MA 02116	12,347,046	(2)	8.8%	0		0	4.9%
The Vanguard Group 100 Vanguard Blvd, Malvern, PA 19355	9,307,474	(3)	6.7%	0		0	3.7%
BlackRock, Inc. 55 East 52nd Street, New York, NY 10022	8,711,917	(4)	6.2%	0		0	3.4%
Named Executive Officers and Directors							
Gregory B. Maffei	94,386	(5)	*	0		0	*
Stephen Kaufer	2,558,730	(6)	1.8	0		0	1%
Trynka Shineman Blake	21,350	(7)	*	0		0	*
Jay C. Hoag	27,153	(8)	*	0		0	*
Betsy Morgan	21,350	(7)	*	0		0	*
Greg O'Hara	1,730,541	(9)	1.2	0		0	*
Jeremy Philips	31,962	(7)	*	0		0	*
Jane Jie Sun	14,243	(10)	*	0		0	*
Albert Rosenthaler	37,540	(7)	*	0		0	*
Robert S. Wiesenthal	31,962	(7)	*	0		0	*
Ernst Teunissen	432,382	(11)	*	0		0	*
Seth J. Kalvert	425,011	(12)	*	0		0	*
Kanika Soni	191,386	(13)	*	0		0	*
All executive officers, directors and director nominees as a group (13 persons)	5,617,996	(14)	4.0	0		0	2.2%

* The percentage of shares beneficially owned does not exceed 1% of the class.

(1) Based on information contained in a Schedule 13D/A filed with the SEC on March 22, 2021, by LTRIP. Consists of 16,445,894 shares of common stock and 12,799,999 shares of Class B Common Stock owned by LTRIP. Excludes shares beneficially owned by the executive officers and directors of LTRIP, as to which LTRIP disclaims beneficial ownership.

(2) Based solely on information contained in a Schedule 13G filed with the SEC on February 14, 2022, by PAR Investment Partners, L.P. According to the Schedule 13G/A, PAR beneficially owns and has sole dispositive power with respect to 12,347,046 shares of common stock and has sole voting power with respect to 12,347,046 shares.

(3) Based solely on information contained in a Schedule 13G filed with the SEC on February 9, 2022, by The Vanguard Group ("Vanguard"). According to the Schedule 13G/A, Vanguard beneficially owns 9,307,474 shares of common stock and has sole dispositive power with respect to 9,170,323 shares of common stock.

(4) Based solely on information contained in a Schedule 13G filed with the SEC on March 11, 2022, by BlackRock, Inc. According to the Schedule 13G/A, BlackRock beneficially owns and has sole dispositive power with respect to 8,711,917 shares of common stock and has sole voting power with respect to 8,236,293 shares.

(5) Includes 1,938 shares of common stock that are held by the Maffei Foundation. Mr. Maffei and his wife, as the two directors of the Maffei Foundation, have shared voting and investment power with respect to any shares held by the Maffei Foundation. Also includes 6,002 RSUs that will vest and settle within 60 days of April 18, 2022.

(6) Includes options to purchase 1,759,515 shares of common stock that are currently exercisable.

(7) Includes 6,002 RSUs that will vest and settle within 60 days of April 18, 2022.

(8) Includes 6,002 RSUs that will vest and settle within 60 days of April 18, 2022. Mr. Hoag holds directly these RSUs and 21,151 shares resulting from RSUs that previously vested and has sole voting and dispositive power over these securities; however, TCV IX Management, L.L.C. has a right to 100% of the pecuniary interest in such securities. Mr. Hoag is a Member of TCV IX Management, L.L.C. and disclaims beneficial ownership of such RSUs and the shares underlying such RSUs except to the extent of his pecuniary interest therein. The remaining 2,281,000 shares are held directly by TCV IX Tumi, L.P., TCV IX Tumi (A), L.P., TCV IX Tumi (B), L.P., and TCV IX Tumi (MF), L.P. (the "TCV Funds"). Jay C. Hoag is a Class A Member of Technology Crossover Management IX, Ltd. ("Management IX") and a limited partner of Technology Crossover Management IX, L.P. ("TCM IX"). Management IX is the sole general partner of TCM IX, which in turn is the sole general partner of TCV IX, L.P., which in turn is the sole member of TCV IX TUMI GP, LLC, which in turn is the sole general partner each of the TCV Funds. Mr. Hoag does not hold voting or dispositive power over the shares held by the TCV Funds and disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.

(9) Includes (i) 1,713,859 shares of the Company's common stock held by an entity affiliated with Certares Management LLC (together with its affiliates, "Certares") that Mr. O'Hara may be deemed to beneficially own, and (ii) 6,002 RSUs that will vest and settle within 60 days of April 18, 2022. These RSUs, along with 10,680 shares resulting from RSUs that previously vested, were granted under the Company's 2018 Plan to Mr. O'Hara in consideration for services rendered as a member of the Company's Board of Directors. Mr. O'Hara is an employee of Certares. Pursuant to policies of Certares, Mr. O'Hara holds the RSUs and shares resulting from the vested RSUs described herein for the benefit of Certares. Mr. O'Hara disclaims beneficial ownership of the shares held by Certares except to the extent of Mr. O'Hara's pecuniary interest in therein.

(10) Includes 6,002 RSUs that will vest and settle within 60 days of April 18, 2022. These RSUs were granted under the Company's 2018 Plan to Ms. Sun in consideration for services rendered as a member of the Company's Board of Directors. Ms. Sun is an employee of Trip.com Group Limited or one of its affiliates (collectively, "Trip.com"). Based solely on the information contained in a Schedule 13D/A filed May 28, 2021, Trip.com holds 5,567,788 shares of the Company's common stock. Ms. Sun disclaims beneficial ownership of the shares held by Trip.com except to the extent of Ms. Sun's interest in therein.

(11) Includes options to purchase 379,110 shares of common stock that are currently exercisable, options to purchase 5,796 shares of common stock that will be exercisable within 60 days of April 18, 2022 and 4,272 RSUs that will vest and settle within 60 days of April 18, 2022.

(12) Includes options to purchase 383,456 shares of common stock that are currently exercisable, options to purchase 1,552 shares of common stock that will be exercisable within 60 days of April 18, 2022 and 1,357 RSUs that will vest and settle within 60 days of April 18, 2022.

(13) Includes options to purchase 121,950 shares of common stock that are currently exercisable, options to purchase 1,397 shares of common stock that will be exercisable within 60 days of April 18, 2022 and 916 RSUs that will vest and settle within 60 days of April 18, 2022.

(14) Includes options to purchase 2,644,031 shares of common stock that are currently exercisable, options to purchase 8,745 shares of common stock that will be exercisable within 60 days of April 18, 2022 and 60,563 RSUs that will vest and settle within 60 days of April 18, 2022.

Changes in Control

We know of no arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of our company.

Delinquent Section 16(a) Reporting

Pursuant to Section 16(a) of the Exchange Act, Tripadvisor officers and directors and persons who beneficially own more than 10% of the registered class of a registered class of Tripadvisor’s equity securities are required to file initial statements of beneficial ownership (Form 3) and statements of changes in beneficial ownership (Forms 4 and 5) with the SEC. Such persons are required by the rules of the SEC to furnish Tripadvisor with copies of all such forms they file. Based solely on a review of the copies of such forms furnished to the Company and/or written representations that no additional forms were required, Tripadvisor believes that all of the Company’s directors, officers and 10% beneficial holders complied with all of the reporting requirements applicable to them with respect to transactions during 2021, except that a Form 4 for Stephen Kaufer filed April 26, 2021 and Lindsay Nelson filed June 14, 2021 were both filed one day late.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Review and Approval or Ratification of Related Person Transactions

Pursuant to the Company's Related Party Transactions Policy, we will enter into or ratify a "related person transaction" only when it has been approved by the Audit Committee of the Board, in accordance with its written charter. Related persons include our executive officers, directors, 5% or more beneficial owners of our common stock or immediate family members of these persons and entities in which one of these persons has a direct or indirect material interest. Related person transactions are transactions that meet the minimum threshold for disclosure in the proxy statement under the relevant SEC rules (generally, transactions involving amounts exceeding $120,000 in which a related person or entity has a direct or indirect material interest). When a potential related person transaction is identified, management presents it to the Audit Committee to determine whether to approve or ratify. When determining whether to approve, ratify, disapprove or reject any related person transaction, the Audit Committee considers all relevant factors, including the extent of the related person's interest in the transaction, whether the terms are commercially reasonable and whether the related person transaction is consistent with the best interests of Tripadvisor and our stockholders.

The legal and accounting departments work with business units throughout Tripadvisor to identify potential related person transactions prior to execution. In addition, we take the following steps with regard to related person transactions:

- On an annual basis, each director, director nominee and executive officer of Tripadvisor completes a Director and Officer Questionnaire that requires disclosure of any transaction, arrangement or relationship with us during the last fiscal year in which the director or executive officer, or any member of his or her immediate family, had a direct or indirect material interest.

- Each director, director nominee and executive officer is expected to promptly notify our legal department of any direct or indirect interest that such person or an immediate family member of such person had, has or may have in a transaction in which we participate.

- Tripadvisor monitors its accounts payable, accounts receivable and other databases to identify any other potential related person transactions that may require disclosure.

- Any reported transaction that our legal department determines may qualify as a related person transaction is referred to the Audit Committee.

If any related person transaction is not approved, the Audit Committee may take such action as it may deem necessary or desirable in the best interests of Tripadvisor and our stockholders.

Related Person Transactions

On August 27, 2014, the entire beneficial ownership of our common stock and Class B common stock held by Liberty was transferred to LTRIP. Simultaneously, Liberty, LTRIP's former parent company, distributed, by means of a dividend, to the holders of its Liberty Ventures common stock, Liberty's entire equity interest in LTRIP. We refer to this transaction as the "Liberty Spin-Off". As a result of the Liberty Spin-Off, effective August 27, 2014, LTRIP became a separate, publicly traded company holding 100% of Liberty's interest in Tripadvisor.

As of the record date, LTRIP beneficially owned 16,445,894 shares of our common stock and 12,799,999 shares of our Class B common stock, which shares constitute 13.0% of the outstanding shares of common stock and 100% of the outstanding shares of Class B common stock. Assuming the conversion of all of LTRIP's shares of Class B common stock into common stock, LTRIP would beneficially own 20.9% of the outstanding common stock (calculated in accordance with Rule 13d-3). Because each share of Class B common stock is entitled to ten votes per share and each share of common stock is entitled to one vote per share, LTRIP may be deemed to beneficially own equity securities representing 56.7% of our voting power. As a result, LTRIP is effectively able to control the outcome of all matters submitted to a vote or for the consent of Tripadvisor's stockholders (other than with respect to the election by the holders of Tripadvisor common stock of 25% of the members of Tripadvisor's Board and matters as to which Delaware law requires a separate class vote).

On November 6, 2019, the Company announced a strategic partnership to expand global cooperation, including a joint venture, global content agreements and governance agreement with Trip.com. First, Ctrip Investment Holding Ltd., a subsidiary of Trip.com Group, has entered into a joint venture with TripAdvisor's subsidiary TripAdvisor Singapore Private Limited pursuant to which the joint venture will operate globally as TripAdvisor China. Second, Trip.com Group and TripAdvisor have entered into global content agreements providing for distribution of selected TripAdvisor content on major Trip.com Group brands, including Trip.com, Skyscanner and Qunar. On June 1, 2021 Trip.com and Tripadvisor agreed to expand their strategic partnership to include Tripadvisor Plus. Initially, Trip.com would provide access to preferential pricing on at least 10,000 properties to benefit the Tripadvisor Plus offering, Tripadvisor's new, direct-to-consumer subscription service. Concurrently, Trip.com was granted approval under the Governance Agreement to sell a portion of its holdings in Tripadvisor, which at April 18, 2022 consisted of approximately 6.95 million shares, to meet its corporate needs. Sales by Trip.com occurred in multiple tranches throughout 2021. Trip.com relinquished its contractual right under the Governance Agreement to nominate a director to the Tripadvisor Board of Directors, which position has been held by Trip.com Group CEO, Jane Sun. However, as an indication of the commitment to the ongoing relationship between the companies, Ms. Sun continues to serve on the Tripadvisor board.

WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE

Tripadvisor files annual, quarterly and current reports, proxy statements and other information with the SEC. Tripadvisor's filings are available to the public over the Internet at the SEC's website at http://www.sec.gov. Tripadvisor's SEC filings are also available to the public from commercial retrieval services.

The SEC allows Tripadvisor to "incorporate by reference" the information that Tripadvisor's files with the SEC, which means that Tripadvisor can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this proxy statement.

ANNUAL REPORTS

Tripadvisor's Annual Report to Stockholders for 2022, which includes our 2022 Annual Report (not including exhibits), is available at http://ir.Tripadvisor.com/annual-proxy.cfm. Upon written request to Tripadvisor, Inc., 400 1st Avenue, Needham, Massachusetts 02494, Attention: Secretary, Tripadvisor will provide, without charge, an additional copy of Tripadvisor's 2021 Annual Report on Form 10-K. Tripadvisor will furnish any exhibit contained in the 2021 Annual Report upon payment of a reasonable fee. Stockholders may also review a copy of the 2021 Annual Report (including exhibits) by accessing Tripadvisor's corporate website at www.Tripadvisor.com or the SEC's website at www.sec.gov.

PROPOSALS BY STOCKHOLDERS FOR PRESENTATION AT THE 2022 ANNUAL MEETING

Stockholders who wish to have a proposal considered for inclusion in Tripadvisor's proxy materials for presentation at the 2023 Annual Meeting of Stockholders must ensure that their proposal is received by Tripadvisor no later than December 29, 2022, at its principal executive offices at 400 1st Avenue, Needham, Massachusetts 02494, Attention: Secretary. The proposal must be made in accordance with the provisions of Rule 14a-8 of the Exchange Act. Stockholders who intend to present a proposal at the 2023 Annual Meeting of Stockholders without inclusion of the proposal in Tripadvisor's proxy materials are required to provide notice of such proposal to Tripadvisor at its principal executive offices no later than March 15, 2023. Tripadvisor reserves the right to reject, rule out of order or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS

If you share an address with any of our other stockholders, your household might receive only one copy of the Proxy Statement, 2021 Annual Report and Notice, as applicable. To request individual copies of any of these materials for each stockholder in your household, please contact Tripadvisor, Inc., 400 1st Avenue, Needham, Massachusetts 02494, Attention: Secretary, or call us at (781) 800-5000. We will deliver copies of the Proxy Statement, 2021 Annual Report and/or Notice promptly following your request. To ask that only one copy of any of these materials be mailed to your household, please contact your broker.

Needham, Massachusetts

April 28, 2022

Tripadvisor®

2021 Annual Report on Form 10-K

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

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-35362

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

Delaware	**80-0743202**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

400 1st Avenue
Needham, MA 02494
(Address of principal executive office) (Zip Code)
Registrant's telephone number, including area code:
(781) 800-5000

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	TRIP	Nasdaq

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 has filed a report on and attention to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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

The aggregate market value of the common stock of the registrant held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was $4,251,470,181 based on the closing price on The Nasdaq Global Select Market on such date. For the purpose of the foregoing calculation only, all directors and executive officers of the registrant are assumed to be affiliates of the registrant.

Class	Outstanding Shares at February 11, 2022
Common Stock, $0.001 par value per share	125,873,185 shares
Class B common stock, $0.001 par value per share	12,799,999 shares

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Documents Incorporated by Reference

The registrant intends to file a proxy statement pursuant to Regulation 14A not later than 120 days after the close of the fiscal year ended December 31, 2021. Portions of such proxy statement are incorporated by reference into Part III of this Annual Report on Form 10-K.

Table of Contents

We refer to Tripadvisor, Inc. and our wholly-owned subsidiaries as “Tripadvisor,” “the Company,” “us,” “we” and “our” in this Annual Report on Form 10-K.

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains “forward-looking statements” that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. The statements contained in this Annual Report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The following words, when used, are intended to identify forward-looking statements: “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “project,” “target,” “result,” “should,” “will,” and similar expressions which do not relate solely to historical matters. We caution investors that any forward-looking statements in this report, or which management may make orally or in writing from time to time, are based on management’s beliefs and on assumptions made by, and information currently available to, management. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements are more fully described in Part I. Item 1A. "Risk Factors." Moreover, we operate in a rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We caution you that, while forward-looking statements reflect our good faith beliefs when we make them, they are not guarantees of future performance and are impacted by actual events when they occur after we make such statements. We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events or otherwise.

Investors should also refer to our quarterly reports on Form 10-Q for future periods and current reports on Form 8-K as we file them with the U.S. Securities and Exchange Commission, or the SEC, and to other materials we may furnish to the public from time to time through Current Reports on Form 8-K or otherwise.

PART I

Item 1. Business

Overview

Tripadvisor operates the world's largest travel guidance platform, connecting a global audience of prospective travelers with travel partners through rich content, price comparison tools, and online reservation and related services for destinations, accommodations, travel activities and experiences, and restaurants. Our mission is to help people around the world plan, book and experience the perfect trip.

In 2000, under our flagship brand Tripadvisor, we launched www.Tripadvisor.com in the U.S. Since then, we have built a portfolio of travel guidance brands and businesses, seamlessly connecting travelers to destinations, accommodations, travel activities and experiences, and restaurants in over 40 markets and over 20 languages worldwide. As of December 31, 2021, Tripadvisor featured more than 1 billion reviews and opinions on nearly 8 million hotels and other accommodations, restaurants, experiences, airlines and cruises.

In addition to the flagship Tripadvisor brand, we own and operate a portfolio of online travel brands and businesses, operating under various websites, including the following: www.bokun.io, www.cruisecritic.com, www.flipkey.com, www.thefork.com, www.helloreco.com, www.holidaylettings.co.uk, www.housetrip.com, www.jetsetter.com, www.niumba.com, www.seatguru.com, www.singleplatform.com, www.vacationhomerentals.com, and www.viator.com.

Our Industry and Market Opportunity

We operate in the global travel industry, focusing exclusively on online travel and travel-related activity, and the online advertising market. The global travel market (which excludes dining) is expected to reach $1.4 trillion of bookings in 2022, according to Phocuswright, an independent travel, tourism and hospitality research firm.

As consumer travel media consumption and travel commerce activity has increasingly moved online, we believe travel and travel-related businesses will continue to allocate greater percentages of their marketing budgets to online channels in order to grow their businesses. We serve the needs of both the consumers and travel partners that operate within this market.

The COVID-19 pandemic has caused a significant negative impact on the travel, hospitality, restaurant, and leisure industries and consequently adversely and materially affected our business, results of operations, liquidity and financial condition during the years ended December 31, 2021 and 2020. Uncertainty continues over travel due to the impacts of the COVID-19 pandemic, including how quickly global travel will recover, and how the future travel experience will be changed and shaped by the pandemic. However, we believe that, while the pandemic could permanently change travel in certain ways, global travel will return to pre-pandemic levels. Consumers want to connect with others, learn about new places and see things they have not seen before. We believe this passion for travel, combined with the need to make informed choices, creates significant long-term growth opportunities for our business.

Our Business Model

On a global scale, we match consumer demand for travel with travel partners that offer accommodations, restaurants and other travel related experiences. Consumers come to the Tripadvisor platform directly via our branded site, www.tripadvisor.com, our mobile app, and through organic and paid search channels for those searching for information on accommodations, tours, activities, attractions and general visitor information for particular locations, and through sites included in our portfolio of brands.

Value Proposition to Consumers

Tripadvisor helps consumers plan, book, and enjoy the trips that matter. Our platform offers consumers access to rich and expansive content, including more than 1 billion traveler reviews and other traveler-generated content such as photos, search and discovery capabilities across a variety of parameters such as location and price, and other informational content that helps drive consumer convenience as they plan and book their perfect trip. We believe this rich content has led Tripadvisor to become a trusted global brand, attracting nearly half a billion monthly unique visitors to our platform and influencing a significant amount of travel commerce during peak months prior to the COVID-19 pandemic. We are focused on creating the best online experience in travel planning and booking, making it easier for consumers to research destinations, experiences and restaurants, read and contribute user-generated content (such as reviews and photos), compare destinations and businesses based on quality, price and availability comparisons, and complete bookings powered by our travel partners.

Value Proposition to Travel Partners

The scale of our platform and the traffic to our platform enable our travel partners to be discovered, to advertise, and to sell their services to a global travel audience. These partners may include hotel chains, independent hoteliers, online travel agencies, or OTAs, destination marketing organizations, and other travel-related and non-travel related product and service providers. We enable media advertising opportunities – and in some cases, facilitate transactions between consumers and travel partners in a number of ways, including by sending referrals to our travel partners' websites, facilitating bookings on behalf of our travel partners, or by serving as the merchant of record – particularly in our Experiences offering – and by offering advertising placements on our platform.

Business and Products

We manage our business based on the following reportable segments: (1) Hotels, Media & Platform and (2) Experiences & Dining.

Our Hotels, Media & Platform segment includes revenue generated from the following sources:

- ***Tripadvisor-branded Hotels Revenue.*** The largest source of Hotels, Media & Platform segment revenue is generated from click-based advertising on Tripadvisor-branded websites, which is primarily comprised of contextually-relevant booking links to our travel partners' websites. Our click-based travel partners are predominantly OTAs and hotels. Click-based advertising is generally priced on a cost-per-click, or "CPC", basis, with payments from travel partners determined by the number of travelers who click on a link multiplied by the CPC rate for each specific click. CPC rates are determined in a dynamic, competitive auction process, where our travel partner CPC bids for rates and availability to be listed on our platform are submitted. We also generate revenue from our cost-per-action, or "CPA" model, which consists of contextually-relevant booking links to our travel partners' websites which are advertised on our platform. We earn a commission from our travel partners, based on a pre-determined contractual commission rate, for each traveler who clicks to and books a hotel reservation on the travel partners' website, which results in a traveler stay.

  In addition, we also provide business-to-business ("B2B") offerings, including subscription-based advertising to hotels, owners of B&Bs and other specialty lodging properties, enabling subscribers to advertise their businesses on our platform, as well as manage and promote their website URL, email address, phone number, special offers and other information related to their business. Subscription-based advertising services are predominantly sold for a flat fee for a contracted period of time. We also offer travel partners the opportunity to advertise and promote their business through hotel sponsored placements on our platform, generally on a CPC rate basis.

- ***Tripadvisor-branded Display and Platform Revenue.*** We offer businesses the ability to promote their brands through display-based advertising placements on our platform across all of our segments and business units. Our display-based advertising clients are predominantly direct suppliers of hotels, airlines and cruises, as well as destination marketing organizations. We also sell display-based advertising to OTAs and other travel related businesses, as well as advertisers from non-travel categories. Display-based advertising is sold predominantly on a cost per thousand impressions, or CPM, basis.

Our Experiences & Dining segment includes revenue generated from the following sources:

- ***Experiences.*** We provide information and services that allow travelers to research and book tours, activities and attractions (the "experience") in popular travel destinations in our Viator online marketplace. We also power experience booking capabilities to travelers on third-party distribution partner websites and mobile apps, including some of the world's top airlines, hotel chains, and online and offline travel agencies, including on the Tripadvisor websites and mobile apps. We work with local experience operators (the "operator") to provide travelers the ability to book tours, activities and attractions in destinations worldwide. In these transactions we act as the merchant of record and generate commissions for each booking transaction we facilitate through our online reservation system. We also earn commissions from third-party merchant partners, who display and promote on their websites the experiences available on our platform to travelers which generate bookings, in transactions where we are not the merchant of record.

  For the vast majority of experience bookings, we collect the full amount charged to the traveler at the time of booking and remit the operator's portion after the booked experience occurs, which contributes to positive working capital before the traveler completes the experience.

- ***Dining.*** We provide information and services for consumers to research and book restaurant reservations in popular travel destinations through our dedicated online restaurant reservations offering, TheFork, and on our Tripadvisor-branded websites and mobile apps. We primarily generate transaction fees (or per seated diner fees) that are paid by our restaurant customers for diners seated through TheFork's online reservation system. We also offer B2B services and generate subscription fees for subscription-based advertising to restaurants, access to certain online reservation management services, marketing analytic tools, and menu syndication services provided by TheFork and Tripadvisor. In addition, we also offer restaurant partners the opportunity to advertise and promote their business through restaurant media advertising placements on our Tripadvisor websites and mobile apps generally on a CPC rate basis.

We also offer travelers Rentals, Flights & Car, and Cruise solutions on our platform which complement our end-to-end travel experience. Revenue generated through these offerings are combined in Other which is not considered a reportable segment. Our Rentals offering provides information and services that allow travelers to research and book vacation and short-term rental properties, including full homes, condominiums, villas, beach properties, cabins and cottages. Rentals primarily generates revenue, a commission from both the traveler and the property owner, by offering individual property owners and property managers the ability to list their rental properties on our platform thereby connecting with travelers primarily through a free-to-list commission-based option. We generally collect payment from the traveler at the time of booking, representing the amount due to the property owner or manager, as well as our commission. These properties are listed on www.flipkey.com, www.holidaylettings.co.uk, www.housetrip.com, www.niumba.com, www.vacationhomerentals.com, and on our Tripadvisor-branded websites and mobile apps. In addition, we generate revenue from Flights, Cruise, and Car offerings on our platform, which primarily consists of click-based advertising and display-based advertising revenue, similar to our Hotels, Media & Platform segment.

For further information regarding our segments, including the principal revenue streams within these segments and timing of revenue recognition and cashflows, refer to "Note 4: *Revenue Recognition*" and "Note 20: *Segment and Geographic Information*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K.

Seasonality

Consumers' travel expenditures have historically followed a seasonal pattern. Correspondingly, travel partners' advertising investments, and therefore our revenue and operating profits, have also historically followed a seasonal pattern. Our financial performance tends to be seasonally highest in the second and third quarters of a given year, which includes the seasonal peak in consumer demand, traveler hotel and rental stays, and travel activities and experiences taken, compared to the first and fourth quarters, which represent seasonal low points. During the first half of the year, experiences and rentals bookings typically exceed the amount of completed experiences and rental stays, resulting in higher cash flow related to working capital, while during the second half of the year, particularly in the third quarter, this pattern reverses and cash flows from these transactions are typically negative.

However, as discussed in Part II, Item 7. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "Note 1: *Organization and Business Description*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K, other factors may also impact typical seasonal fluctuations, which include further significant shifts in our business mix or adverse economic conditions that could result in future seasonal patterns that are different from historical trends. For example, due to the impact of COVID-19 on our business, we did not experience our typical seasonal pattern for revenue and operating profits during the year ended December 31, 2020. COVID-19 contributed significantly to unfavorable working capital trends and material negative operating cash flow during the year ended December 31, 2020, most notably occurring during the first half of 2020, when we typically generate significant positive cash flow.

Although consumer travel demand, traveler hotel and rental stays, and travel activities and experiences taken generally remain materially lower than historic levels, these trends improved during 2021, resulting in increased revenues, and working capital and operating cash flow more akin to typical historical seasonality trends. However, it is difficult to predict the seasonality for 2022, given the sustained uncertainty related to the continued economic and travel impact of the COVID-19 pandemic, and the ultimate shape and timing of a recovery in our key markets. In addition, significant shifts in our business mix or adverse economic conditions could result in future seasonal patterns that are different from historical trends.

Our Long-Term Growth Strategy

The global travel market (which excludes dining) is expected to reach $1.4 trillion of bookings in 2022, according to Phocuswright, an independent travel, tourism and hospitality research firm. Given we have the world's largest travel audience, we believe that Tripadvisor's influence in the travel ecosystem remains significant. Our long-term growth strategy aims to increase consumer engagement on our platform and drive profitable growth through:

- offering products that delight travelers by reducing friction throughout the travel planning and trip-taking journey;
- driving consumer loyalty to our platform through user experience and by offering products and services that increase engagement with our platform and result in membership growth, new and repeat bookings, mobile app engagement and repeat usage;
- driving traveler and diner engagement, bookings, and loyalty on our branded platforms by offering industry-leading choices for online bookable experiences and restaurants in top destinations worldwide;
- deepening travel partner engagement on our platform by expanding the number of products and services we offer; and
- leveraging our platform's brand and scale and our unique attributes to expand and grow our offerings such as hotel and restaurant B2B solutions, direct-to-consumer products and services where consumers pay us on a per trip planned or an annual subscription basis and click-based and display-based media advertising.

We expect to enable our growth through investment in:

- organic investment in marketing and technology (e.g., machine learning) to further improve the experiences we can deliver to consumers and travel partners on our platform; and
- inorganically by opportunistically pursuing strategic acquisitions.

Marketing and Competition

Tripadvisor and its partners compete with other companies across numerous verticals within an attractive and rapidly evolving travel industry. In our daily operations, we compete to attract premier travel community-powered content (reviews, photos and other forms of engagement), traffic, advertising dollars and, more generally, the purchasing power of high-intent and highly-valuable consumers seeking to book vacations and spend. Since our travel review content and those of our competitors are typically free, we differentiate based on the awareness and trust travelers and diners place in our brands, the quality and nature of our consumer and B2B product offerings and through the choices available through our online travel search and price comparison services (or metasearch). As such, we invest in improving our consumer experience and expanding travel review content (the core offering within our value proposition), the growth of business listings on our platform that provide choice and the diverse range of bookable experiences we provide travelers during their vacations that create lasting memories. Knowing trust in our platform is paramount to our success and the virtues of our network effect, we also invest in leading the internet industry in our trust and safety initiatives, including providing transparency into our traveler review process and our efforts to combat misinformation and false reviews.

We also invest to amplify our global brand and raise consumer awareness of, and engagement with, our end-to-end product offerings. With hundreds of millions of visitors to our platform each year, we leverage a number of cost effective online and offline marketing channels to reach travelers and diners, including our own platform channels (i.e. websites and app), online search engines (primarily Google), social media, email, media via public relations, partnerships, and content distribution. The relative success of our marketing strategy is measurable on these channels, and can be influenced by changes that we and our travel partners and competitors make to our respective products and marketing strategies.

We allocate resources among the different marketing channels based on our internal return on investment measures. We compete globally with both online and offline, established and emerging, providers of travel, hospitality, lodging, experiences (bookable tours, activities, and attractions), and restaurant reservation and related services. The markets for the services we offer are intensely competitive, and current and new competitors can launch new services at a relatively low cost.

We also compete with different types of companies in the various markets and geographies where we operate, including large and small companies in the travel space as well as broader service providers. More specifically:

- In our Hotels, Media & Platform segment, we compete, and in some cases partner, with the following businesses:
    - OTAs (including Expedia Group, Inc., or “Expedia,” Booking Holdings, Inc., or “Booking,” and their respective subsidiaries and operating companies, and Airbnb);
    - hotel metasearch providers (including trivago (a majority-owned subsidiary of Expedia), Kayak and HotelsCombined (subsidiaries of Booking) and Trip.com Group Limited);
    - large online search, social media, and marketplace platforms and companies (including Google, Facebook, Microsoft’s Bing, Yahoo, Baidu, and Alibaba);
    - traditional offline travel agencies; and
    - global hotel chains seeking to promote direct bookings.
- As endemic and non-endemic (non-travel) advertisers seek to diversify their display-based advertising spend beyond platforms such as Google and Facebook and their related properties (Instagram and YouTube); Tripadvisor competes with these and other internet media channels for advertising spend, such as Twitter, Pinterest and Snap Media, in addition to fast growing advertising businesses, such as ad-supported retail and entertainment platforms like Amazon, Spotify, and Walmart.com.
- We also compete with offerings in our Experiences & Dining segment. Experiences competes with online travel agencies (such as Airbnb, Booking and Expedia), search engines (such as Google), other pure-play experience OTAs (such as GetYourGuide, Peek and Klook), traditional travel agencies and online travel service providers and wholesalers, among others. Our Dining offering competes with other online restaurant reservation services, such as Google and OpenTable (a subsidiary of Booking).

Commercial Relationships

We have commercial relationships with a majority of the world's leading OTAs, as well as thousands of other travel partners, pursuant to which these companies primarily purchase traveler leads from us, generally on a click-based advertising basis. Although these relationships are memorialized in agreements, many of these agreements are for limited terms or are terminable at will or on short notice. As a result, we seek to ensure the mutual success of these relationships.

For the years ended December 31, 2021, 2020 and 2019 our two most significant travel partners were Expedia and Booking, each of which accounted for 10% or more of our consolidated revenue and together accounted for approximately 34%, 25% and 33% of our consolidated revenue, respectively. Nearly all of this concentration of revenue is recorded in the Tripadvisor-branded Hotels revenue line within our Hotels, Media & Platform segment for these reporting periods. Additionally, our business is dependent on relationships with third-party service operators that we rely on to fulfill service obligations to our customers where the Company is the merchant of record, such as our experience providers and vacation rental owners. However, no one operator's inventory resulted in more than 10% of our revenue on a consolidated basis in any period presented.

Operations and Technology

We have assembled a team of highly skilled software engineers, computer scientists, data scientists, network engineers and systems engineers whose expertise spans a broad range of technical areas, including a wide variety of open source operating systems, databases, languages, analytics, networking, scalable web architecture, operations and warehousing technologies. We make significant investments in product and feature development, data management, personalization technologies, scalable infrastructures, networking, data warehousing, and search engine technologies.

Our systems infrastructure for Tripadvisor-branded websites is in a "hybrid-cloud" configuration in which parts of it are housed at a colocation facility and managed by our operations team, while the rest is hosted on Amazon Web Services. Our infrastructure installations have multiple communication links as well as continuous monitoring and engineering support. The colocation facility is protected with both network-level and application-level defenses, using well known commercial solutions specifically tailored for such purposes. We make use of Amazon Web Services availability zones to provide redundancy for the cloud portions of our infrastructure. Substantially all of our software components, data, and content are replicated in multiple datacenters and development centers, as well as backed up at offsite locations. Our systems are monitored and protected though multiple layers of security. Several of our individual subsidiaries and businesses have their own data infrastructure and technology teams.

Intellectual Property

Our intellectual property, including patents, trademarks, copyrights, domain names, trade dress, proprietary technology and trade secrets, is an important component of our business. We rely on our intellectual property rights in our content, proprietary technology, software code, ratings indexes, databases of reviews and forum content. We have acquired some of our intellectual property rights through licenses and content agreements with third parties and these arrangements may place restrictions on the use of our intellectual property.

We protect our intellectual property by relying on our terms of use, confidentiality agreements and contractual provisions, as well as on international, national, federal, state and common law rights. We protect our brands by pursuing the trademark registration of our core brands, as appropriate, maintaining our trademark portfolio, securing contractual trademark rights protection when appropriate, and relying on common law trademark rights when appropriate. We also register copyrights and domain names as deemed appropriate. Additionally, we protect our trademarks, domain names and copyrights with the use of intellectual property licenses and an enforcement program.

We have considered, and will continue to consider, the appropriateness of filing for patents to protect future inventions, as circumstances may warrant. However, many patents protect only specific inventions and there can be no assurance that others may not create new products or methods that achieve similar results without infringing upon patents owned by us.

In connection with our copyrightable content, we post and institute procedures under the U.S. Digital Millennium Copyright Act and similar “host privilege” statutes worldwide to gain immunity from copyright liability for photographs, text and other content loaded on our platform by consumers. However, differences between statutes, limitations on immunity, political and regulatory efforts to amend relevant statutes, and moderation efforts in the many jurisdictions in which we operate may affect our ability to claim immunity.

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

Regulation

We are subject to a number of laws and regulations that affect companies conducting business on the internet as well as some relating to the travel industry, the vacation rental industry and the provision of travel services. As we continue to expand the reach of our brands into additional international markets and expand our product offerings, we are increasingly subject to additional laws and regulations. This includes laws and regulations regarding privacy and data protection, libel and defamation, content, intellectual property, distribution, electronic contracts and other communications, consumer protection, taxation, online payment services and competition, among others. These laws and regulations are constantly evolving and can be subject to significant change. Many of these laws and regulations are being tested in courts, and could be interpreted by regulators and courts in ways that could harm our business. In addition, the application and interpretation of these laws and regulations is often uncertain, particularly in the new and rapidly-evolving industry in which we operate.

In addition, we provide advertising data and information and conduct marketing activities that are subject to consumer protection laws that regulate unfair and deceptive practices, domestically and internationally, including, in some countries, pricing display requirements, licensing and registration requirements and industry specific value-added tax regimes. The U.S. (as well as individual states), the E.U. (as well as member states) and other countries have adopted legislation that regulates certain aspects of the internet, including online editorial and user-generated content, data privacy, behavioral targeting and online advertising, taxation, and liability for third-party activities. It is difficult to accurately predict how such legislation will be interpreted and applied or whether new taxes or regulations will be imposed on our services, and whether or how we might be affected. Increased regulation of the internet could increase the cost of doing business or otherwise materially adversely affect our business, financial condition or operating results.

We are subject to laws that require protection of user privacy and user data. As our business has evolved, we have begun to receive and store a greater volume of personally identifiable data. This data is increasingly subject to laws and regulations in numerous jurisdictions around the world. For example, the E.U., in May 2018, adopted the General Data Protection Regulation, or GDPR, which requires companies, including ours, to meet enhanced requirements regarding the handling and storage of personal data. In addition, the State of California adopted the Consumer Privacy Protection Act which became effective January 1, 2020 and also enhances privacy rights and consumer protection for residents of California. In addition, similar laws have been adopted or are currently under discussion in other jurisdictions. The enactment, interpretation and application of these laws is still in a state of flux.

Also, on June 23, 2016, the U.K. passed a referendum to exit the E.U., known as Brexit, and the U.K. ceased to be a member of the EU on January 31, 2020. On December 24, 2020, the U.K. and E.U. finalized the terms of the departure. While there continues to be some uncertainty around U.K. and E.U. relations, we do not expect Brexit will have a material impact on our business and results of operations; however, we will likely face new regulations and additional hiring costs, as well as hiring limitations from candidates outside of the U.K.

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

Corporate History, Equity Ownership and Voting Control

Tripadvisor was co-founded in February 2000 by Stephen Kaufer, our current Chief Executive Officer and President. In April 2004, Tripadvisor was acquired by IAC/InterActiveCorp, or IAC. In August 2005, IAC spun-off its portfolio of travel brands, including Tripadvisor, into Expedia, at the time a separate newly-formed Delaware corporation. On December 20, 2011 Expedia completed a spin-off of Tripadvisor into a separate publicly-traded Delaware corporation. We refer to this second spin-off transaction as the "Spin-Off." Following the Spin-Off, on December 21, 2011, Tripadvisor began trading on The Nasdaq Global Select Market, or Nasdaq, as an independent public company under the trading symbol "TRIP."

On December 11, 2012, Liberty Interactive Corporation, or Liberty, purchased an aggregate of approximately 4.8 million shares of common stock of Tripadvisor from Barry Diller, our former Chairman of the Board of Directors and Senior Executive, and certain of his affiliates. As a result, Liberty beneficially owned approximately 18.2 million shares of our common stock and 12.8 million shares of our Class B common stock.

On August 27, 2014, the entire beneficial ownership of our common stock and Class B common stock held by Liberty was acquired by Liberty TripAdvisor Holdings, Inc., or LTRIP. Simultaneously, Liberty, LTRIP's former parent company, distributed, by means of a dividend, to the holders of its Liberty Ventures common stock, Liberty's entire equity interest in LTRIP. We refer to this transaction as the "Liberty Spin-Off". As a result of the Liberty Spin-Off, effective August 27, 2014, LTRIP became a separate, publicly traded company holding 100% of Liberty's interest in Tripadvisor.

As a result of these transactions, and as of December 31, 2021, LTRIP beneficially owned approximately 16.4 million shares of our common stock and 12.8 million shares of our Class B common stock, which constitute approximately 13% of the outstanding shares of common stock and 100% of the outstanding shares of Class B common stock. Assuming the conversion of all of LTRIP's shares of Class B common stock into common stock, LTRIP would beneficially own approximately 21% of the outstanding common stock. Because each share of Class B common stock is entitled to ten votes per share and each share of common stock is entitled to one vote per share, LTRIP may be deemed to beneficially own equity securities representing nearly 57% of our voting power.

Human Capital Management, Culture and Employees

Employees

As of December 31, 2021, the Company had 2,691 employees. Our number of employees increased approximately 4% when compared to the same period in 2020. Approximately 50%, 35%, and 15% of the Company's current employees are based in Europe, the U.S., and the rest of world, respectively. Additionally, we use independent contractors to supplement our workforce. We believe we have good relationships with our employees and contractors, including relationships with employees represented by international works councils or other similar organizations.

Talent Acquisition and Development

We believe our employees are essential to our success and that the Company's success depends on our ability to attract, develop and retain key talent. The skills, experience and industry knowledge of key employees significantly benefit our operations and performance. Competition for qualified personnel is intense, particularly for software engineers, computer scientists, and other technical staff, and constrained labor markets have increased competition for personnel across other parts of our business. The Company's management and Board of Directors oversee various initiatives for talent acquisition, retention and development.

Our talent philosophy is to both develop talent from within and to strategically recruit key external talent. This approach has yielded a deep understanding among our employee base of our business, our products, and our customers, while adding new employees and ideas in support of our continuous improvement mindset. Our overall talent acquisition and retention strategy is designed to attract and retain diverse and qualified candidates to enable the success of the Company and achievement of our performance goals. We recruit the best people for the job without regard to gender, ethnicity or other protected traits and it is our policy to comply fully with all domestic, foreign and local laws relating to discrimination in the workplace. Our talent acquisition team uses internal and external resources to recruit highly skilled and talented workers, and we encourage employee referrals for open positions.

We support and develop our employees through global training and development programs that build and strengthen employees' leadership and professional skills. Leadership development includes programs for new leaders as well as programs designed to support more experienced leaders. We also partner with external training organizations to help provide current and future workers with the knowledge and skills they need to succeed.

It is important that our employees represent a mix of experiences and backgrounds in order to make our company stronger, more innovative and more inclusive. Inclusion is one of our core values, and we have programs in place to promote diversity and inclusion. Our diversity and inclusion initiatives support our goal that everyone throughout the Company is engaged in creating an inclusive workplace. We support inclusion through training on topics including Unconscious Bias and Inclusive Leadership. We also support a network of active Employee Resource Groups (ERGs) reflecting many dimensions of diversity across the Company.

Total Rewards

As part of our compensation philosophy, we believe that we must offer and maintain market competitive total rewards programs for our employees in order to attract, motivate and retain superior talent. These programs not only include base wages and incentives in support of our pay for performance culture, but also health, welfare, and retirement benefits.

We design our benefit programs to meet the needs of our employees' health while managing program costs for escalation rates at or below industry trend factors. Our programs include but are not limited to wellness, mental health services, telemedicine, and partnerships with service providers that support diverse family-care need solutions. We continuously refine, develop and implement proactive health care strategies and solutions that allow us to enhance employee health and well-being while curbing costs.

Refer to "Note 14: *Employee Benefit Plans*" and "Note 15: *Stock Based Awards and Other Equity Instruments*" in the notes to the consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information on our 401(k) Plan, our equity award plan and other employee benefit plans.

Health and Safety

The health and safety of our employees is of utmost importance to us. We conduct regular self-assessments and audits to ensure compliance with our health and safety guidelines and regulatory requirements. The COVID-19 pandemic has underscored for us the importance of keeping our employees safe and healthy. In response to the pandemic, the Company has taken actions aligned with the World Health Organization and the Centers for Disease Control and Prevention to protect its workforce so they can more safely and effectively perform their work, including, but not limited to:

- Adding work from home flexibility;
- Increasing cleaning protocols across all locations;
- Initiating regular communication regarding impacts of the COVID-19 pandemic, including health and safety protocols and procedures;
- Prohibiting all domestic and international non-essential business travel for all employees; and
- Requiring masks to be worn in all locations where required by local law.

Additional Information

We maintain a corporate website at ir.tripadvisor.com. Except as explicitly noted, the information on our website, as well as the websites of our various brands and businesses, is not incorporated by reference in this Annual Report on Form 10-K, or in any other filings with, or in any information furnished or submitted to, the SEC.

On our Investor Relations website (http://ir.tripadvisor.com/investor-relations), we provide our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to these reports free of charge. These reports are available on our website as soon as reasonably practicable after we electronically file or furnish these reports to the SEC or publish through press releases, public conference calls and certain webcasts. All documents filed electronically with the SEC (including reports, proxy and information statements and other information) are also available at www.sec.gov. Investors and others should be aware that we use our investor relations website (http://ir.tripadvisor.com/investor-relations) to announce material financial information to our investors as well as communicate with the public about our company, our results of operations and other information.

We post our code of business conduct and ethics, which applies to all employees, including all executive officers, senior financial officers and directors, on our corporate website at www.tripadvisor.com. We intend to disclose any waivers of the code of ethics for our executive officers, senior financial officers or directors, on our corporate website.

Item 1A. Risk Factors

You should consider carefully the risks described below together with all of the other information included in this Annual Report as they may impact our business, results of operations and/or financial condition. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial may also impair our business, results of operations or financial condition. If any of the following risks occur, our business, financial condition, operating results and cash flows could be materially and adversely affected.

Risk Factors Summary

The following is a summary list of the principal risks that make an investment in our securities speculative or risky. For additional information, please refer to the detailed descriptions following the summary.

- Declines or disruptions in the worldwide travel industry, including health concerns, natural disasters, terrorist attacks, civil or political unrest or other events outside our control;
- Our performance marketing efficiency and the general effectiveness of our advertising and marketing efforts;
- Any change by our search and meta-search partners in how they present travel search results or conduct their auctions for search placement in a manner that is competitively disadvantageous to us;
- Our ability to adjust to consumer adoption of mobile devices and/or new technologies and product offerings;
- Our ability to attract and retain qualified personnel;
- Our ability to successfully manage growth and expand our global business;
- Our ability to respond to and keep up with the rapid pace of technological and market changes;
- IT systems-related failures or security breaches and data privacy risks and obligations;
- Tax, legal and regulatory risks;
- Risks associated with the facilitation of payments from consumers, including fraud and compliance with evolving rules and regulations and reliance on third parties;
- Fluctuations in foreign currency exchange rates and other risks associated with doing business in multiple currencies and jurisdictions;
- Success of strategic initiatives, investments and acquisitions, including integration; and
- Financial risks including increased debt levels and stock price volatility.

Risks Related to Our Business and Industry

The COVID-19 pandemic has had, and is expected to continue to have, a material impact on the travel industry, our company and our financial performance. The COVID-19 pandemic has caused material declines in demand within the travel, hospitality, restaurant and leisure industry that has dampened consumer demand for our products and services and has adversely and materially affected our business and financial performance. The extent and duration of the impact of the pandemic on our business and financial performance is highly uncertain and difficult to predict, as the duration and severity of the pandemic is uncertain and cannot be predicted. While many countries are in the process of vaccinating their residents against COVID-19, the large scale and challenging logistics of distributing the vaccines, adoption rates, as well as uncertainty over the efficacy of the vaccine against new variants of the virus may contribute to delays in economic recovery, particularly for the travel industry. Given the unpredictable and unprecedented nature of the ongoing COVID-19 pandemic, it is difficult to estimate with accuracy the short and long-term impact to our future financial performance, but we expect the COVID-19 pandemic and its effects to continue to have a significant adverse impact on our business and financial performance for the foreseeable future.

Further, in response to the COVID-19 pandemic, much of our work force began working remotely and continue to work remotely. While many of our employees are accustomed to working remotely or working with other remote employees, much of our workforce has historically not been remote. Working remotely can give rise to cybersecurity issues, training and compliance issues, or create operational or other challenges as we adjust to a fully-remote workforce, any of which could harm our business.

Declines or disruptions in the travel industry have had a material adverse impact on the Company's business and financial performance. Our business and financial performance are affected by the health of the worldwide travel industry. As noted above, we expect that COVID-19 will continue to materially adversely impact our business into 2022. Other events beyond our control, such as unusual or extreme weather or natural disasters, travel-related health concerns, restrictions related to travel, trade or immigration policies, wars, sources of political uncertainty, foreign policy changes, regional hostilities, imposition of taxes or surcharges by regulatory authorities, labor unrest or travel-related accidents can disrupt travel globally or otherwise result in declines in travel demand. In addition, the uncertainty of macro-economic factors and their impact on consumer behavior makes it more difficult to forecast industry and consumer trends, which in turn could adversely affect our ability to effectively manage our business. Our financial performance is also subject to global economic conditions and their impact on levels of discretionary consumer spending. Sales of travel services tend to decline or grow more slowly during economic downturns when consumers engage in less discretionary spending, are concerned about unemployment or economic weakness, have reduced access to credit or experience other concerns that reduce their ability or willingness to travel. Leisure travel, in particular, which accounts for a substantial majority of our current business, is dependent on discretionary consumer spending levels.

If we are unable to continue to attract a significant amount of visitors to our platform, to cost-effectively convert these visitors into revenue-generating customers and to continue to engage consumers, our business and financial performance could be harmed. Our traffic and user engagement could be adversely affected by a number of factors including, but not limited to, inability to provide quality content, inventory or supply to our consumers; declines or inefficiencies in traffic acquisition and reduced awareness of our brands. Certain of our competitors have advertising campaigns expressly designed to drive traffic directly to their websites, and these campaigns may negatively impact traffic to our platform. There can be no assurances that we will continue to provide content and products in a manner that meets rapidly changing demand. Any failure to obtain and manage content and products in a cost-effective manner that will engage consumers, or any failure to provide content and products that are perceived as useful, reliable and trustworthy, could adversely affect user experiences and their repeat behavior, reduce traffic to our platform and negatively impact our business and financial performance.

We rely on internet search engines and application marketplaces to drive traffic to our platform, certain providers of which offer products and services that compete directly with ours. If we are unable to drive traffic cost-effectively, traffic to our platform could decline and our business would be negatively affected. The number of consumers we attract to our platform is due in large part to how and where information from, and links to, our platform are displayed on search engine results pages, or SERPs. The display, including rankings, of search results can be affected by a number of factors, many of which are not in our control. Search engines frequently change the logic that determines the placement and display of the results of a user's search, such that the purchased or algorithmic placement of links to our platform can be negatively affected. A search engine could alter its search algorithms or results causing our websites to place lower in search query results. For example, Google, a significant source of traffic to our platform, frequently promotes its own competing products in its search results, which has negatively impacted placement of references to our company and our platform on the SERP. If a major search engine changes its algorithms in a manner that negatively affects the search engine ranking of our websites or those of our travel partners, or if competitive dynamics impact the cost or effectiveness of Search Engine Optimization ("SEO") or Search Engine Marketing ("SEM") in a negative manner, our business and financial performance would be adversely affected. Furthermore, our failure to successfully manage our SEO and SEM strategies and/or other traffic acquisition strategies could result in a substantial decrease in traffic to our platform, as well as increased costs to the extent we replace free traffic with paid traffic.

We also rely on application marketplaces, or app stores such as Apple's App Store and Google's Play, to drive downloads of our apps. In the future, Apple, Google or other marketplace operators may make changes that make access to our products more difficult or may limit our access to information that would restrict our ability to provide the best user experience. For example, Google has entered various aspects of the online travel market, including by establishing a flight metasearch product and hotel metasearch product as well as reservation functionality. Our apps may receive unfavorable treatment compared to the promotion and placement of competing apps, such as the order in which they appear within marketplaces. In addition, Apple has announced new features that limit who has access to consumer data, including location information. Similarly, if problems arise in our relationships with providers of application marketplaces, traffic to our platform and our user growth could be harmed.

We derive a substantial portion of our revenue from advertising and any significant reduction in spending by advertisers on our platform could harm our business. Our ability to grow advertising revenue with our existing or new travel partners is dependent in large part on our ability to provide value to them relative to other alternatives. Our ability to provide value to our travel partners depends on a number of factors, including, but not limited to, the following:

- Our ability to increase or maintain user engagement;
- Our ability to increase or maintain the quantity and quality of ads shown to consumers;
- The development of technologies that can block the display of our ads or our ad measurement tools;
- The effectiveness of our advertising and the extent to which it generates sales leads, customers, bookings or financial results on a cost-effective basis;
- The competitiveness of our products, traffic quality, perception of our platform, and availability and accuracy of analytics and measurement solutions to demonstrate our value; and
- Adverse government actions or legal developments relating to advertising, including limitations on our ability to deliver targeted advertising.

Any of these or other factors could result in a reduction in demand for our ads, which may reduce the prices we receive for our ads, or cause marketers to stop advertising with us altogether, any of which would negatively affect our revenue and financial results.

Click-based advertising revenue accounts for the majority of our advertising revenue. Our pricing for click-based advertising depends, in part, on competition between advertisers. If our large advertisers become less competitive with each other, merge with each other or with our competitors, focus more on per-click profit than on traffic volume, or are able to reduce CPCs, this could have an adverse impact on our advertising revenue which would, in turn, have an adverse effect on our business and financial results.

We rely on a relatively small number of significant travel partners and any reduction in spending by or loss of these partners could seriously harm our business. For the year ended December 31, 2021, our two most significant travel partners, Expedia and Booking (and their subsidiaries), accounted for a combined 34% of total revenue. If any of our significant travel partners were to cease or significantly curtail advertising on our platform, we could experience a rapid decline in our revenue over a relatively short period of time which would have a material impact on our business.

Our business depends on strong brands and any failure to maintain, protect or enhance our brands could hurt our ability to retain and expand our base of consumers and partners, the frequency with which consumers utilize our products and services and our ability to attract travel partners. Our ability to maintain and protect our brands depends, in part, on our ability to maintain consumer trust in our products and services and in the quality, integrity, reliability of usefulness of the content and other information found on our platform. If consumers do not view the content on our platform to be useful and reliable, they may seek other sources to obtain the information they are looking for and may not return to our platform as often or at all. We dedicate significant resources to protecting the quality of our content, primarily through our content guidelines, computer algorithms and human moderators that are focused on identifying and removing inappropriate, unreliable or deceptive content.

Media, legal, or regulatory scrutiny of our user content, advertising practices, and other issues may adversely affect our reputation and brand. Negative publicity about our company, including our content, technology and business practices, could diminish our reputation and confidence in our brand, thereby negatively affecting the use of our products and our financial performance. For example, in the past, certain media outlets have alleged that we have improperly filtered or screened reviews, that we have not properly verified reviews, or that we manipulate reviews, ranking and ratings in favor of our advertisers. We expend significant resources to ensure the integrity of our reviews and to ensure that the most relevant reviews are available to our consumers; we do not establish rankings and ratings in favor of our advertisers. Regulatory inquiries or investigations require management time and attention and could result in further negative publicity, regardless of their merits or ultimate outcomes.

In addition, unfavorable publicity regarding, for example, our practices relating to privacy and data protection could adversely affect our reputation with our consumers and our travel partners. Such negative publicity also could have an adverse effect on the size, engagement, and loyalty of our user base and result in decreased revenue.

Consumer adoption and use of mobile devices creates new challenges. If we are unable to offer compelling products on such devices or continue to operate effectively on these platforms, our business may be adversely affected. Widespread adoption of mobile devices has driven substantial online traffic and commerce to mobile platforms and we anticipate that use of these devices will continue to grow. Our platform, when utilized on mobile phone devices, have historically monetized at a significantly lower rate than desktops and advertising opportunities are more limited on these devices. Additionally, consumer purchasing patterns differ on these devices. For example, accommodation reservations made on a mobile device are generally for shorter lengths of stay and are not made as far in advance. We expect that the ways in which consumers engage with our platform will continue to change over time as consumers increasingly engage via alternative devices.

It is important for us to develop and maintain effective platforms to drive adoption and user engagement by providing consumers with an appealing, easy-to-use experience. As new devices and platforms are continually being released, it is difficult to predict the problems we may encounter in adapting our products and services and we may need to devote significant resources to the creation, support and maintenance of competitive new products. If we are unable to continue to rapidly innovate and create appealing, user-friendly and differentiated offerings and efficiently and effectively advertise on these platforms, we could lose market share and our business, future growth and financial results could be adversely affected.

Our success will also depend on the interoperability of our products with a range of technologies, systems, networks and standards and our ability to create, maintain and develop relationships with key participants in related industries, some of which may be our competitors. For example, Google's Android, and Apple's iPhone are the leading smartphones in the world and our products need to synergistically function on their operating systems in order to create a positive user experience on those devices. Yet, Apple has announced privacy features that limit the amount of information we can access about our users operating on the Apple iPhone operating system.

We may not be successful in developing products that operate effectively with these technologies, systems, networks and standards or in creating, maintaining and developing relationships with key participants in related industries. If we experience difficulties or increased costs in integrating our products into alternative devices or if manufacturers do not include our products in their devices, make changes that degrade the functionality of our products, give preferential treatment to competitive products or prevent us from delivering advertising, our user growth and financial results may be harmed.

Any continued or future declines or disruptions in the economy and industries in which we operate could adversely affect our businesses, financial performance and the market price of our common stock. Sales of travel services tend to decline or grow more slowly during economic downturns when consumers engage in less discretionary spending, are concerned about unemployment or economic weakness, have reduced access to credit or experience other concerns that reduce their ability or willingness to travel. The global economy may be adversely impacted by events beyond our control including actual or threatened terrorism, regional hostilities or instability, natural disasters, political instability and health concerns (including epidemics or pandemics), significant increases in energy costs, tightening of credit markets and declines in consumer confidence. The uncertainty of macro-economic factors and their impact on consumer behavior makes it more difficult to forecast industry and consumer trends and the timing and degree of their impact on our markets and business, which in turn could adversely affect our ability to effectively manage our business.

Economic downturn and adverse market conditions may also negatively impact our travel partners, our travel partners' access to capital, cost of capital and ability to meet liquidity needs. These challenges faced in a prolonged economic downturn or deterioration in the travel industry could adversely impact our business, financial performance and share price. The extent and duration of such impacts remain largely uncertain and dependent on future developments that cannot be accurately predicted at this time.

We operate in a competitive global environment and our failure to compete effectively could reduce our market share and harm our financial performance. We compete with different types of companies in the various markets and geographies where we operate, including large and small companies in the travel space as well as broader service providers. We face competition for content, consumers, advertisers, online travel search and price comparison services and online reservations. We compete globally with both online and offline, established and emerging, providers of travel, lodging, experiences and restaurant reservation and related services. Current and new competitors can launch new services at a relatively low cost. More specifically:

- In our Hotels, Media & Platform segment, we face competition from the following businesses: OTAs (including Expedia and Booking); hotel metasearch providers (including trivago, Kayak, HotelsCombined, and Trip.com); large online search, social media, and marketplace platforms and companies (including Google, Facebook, Bing, Yahoo, Baidu, Alibaba, and Airbnb); and traditional offline travel agencies; and global hotel chains seeking to promote direct bookings.
- We also face competition from different companies with respect to our Experiences & Dining segment. Our Experiences offering competes with online travel agencies, such as Airbnb, Booking, GetYourGuide, Peek and Klook; traditional travel agencies; online travel service providers; and wholesalers, among others. Our Dining offering competes with other online restaurant reservation services, such as Google and OpenTable.

There has been a proliferation of new channels through which service providers can offer accommodations, experiences and restaurant reservations. Metasearch services may lower the cost for new companies to enter the market by providing a distribution channel without the cost of promoting the new entrant's brand to drive consumers directly to its website. Some of our competitors offer a variety of online services and, in some cases, are willing to make little or no profit on a transaction, or offer travel services at a loss, in order to gain market share. Many of our competitors have significantly greater financial, technical, marketing and other resources and have more expertise in developing online commerce and facilitating internet traffic as well as larger client bases. They also have the ability to leverage other aspects of their business to enable them to compete more effectively.

In addition, Google and other large, established companies with substantial resources and expertise have launched travel or travel-related search, metasearch and/or reservation booking services and may create additional inroads into online travel. Many of our competitors continue to expand their voice and artificial intelligence capabilities, which may provide them with a competitive advantage in travel.

We compete with certain companies that we also do business with, including certain of our travel partners and related parties. The consolidation of our competitors and travel partners may affect our relative competitiveness and our travel partner relationships. Competition and consolidation could result in higher traffic acquisition costs, reduced margins on our advertising services, loss of market share, reduced customer traffic to our platform and reduced advertising by travel companies on our platform.

We rely on information technology to operate our business and remain competitive, and any failure to adapt to technological developments or industry trends could harm our businesses. Our future success depends on our ability to continuously improve and upgrade our systems and infrastructure to meet rapidly evolving consumer trends and demands while at the same time maintaining the reliability and integrity of our systems and infrastructure. We may not be able to maintain or replace our existing systems or introduce new technologies and systems as quickly as we would like or in a cost-effective manner. We may not be successful, or as successful as our competitors, in developing technologies and systems that operate effectively across multiple devices and platforms in a way that is appealing to our consumers. Our future success will also depend on our ability to adapt to emerging technologies such as tokenization; new authentication technologies, such as biometrics, distributed ledger and blockchain technologies; new and emerging payment methods, such as cryptocurrencies, Alipay, Paytm and WeChat Pay; artificial intelligence; virtual and augmented reality; and cloud technologies. The emergence of alternative or new devices and the emergence of niche competitors who may be able to optimize products, services or strategies for such platforms will require additional investment in technology. New developments in other areas could also make it easier for competitors to enter our markets due to lower up-front technology costs.

If we are unable to adapt to the evolving demands of our customers, we may not remain competitive, and our business and financial performance could suffer. Our competitors are continually developing innovations in services and features. As a result, we are continually working to improve the user experience on our platform in order to engage our consumers and drive user traffic and conversion rates for our travel partners and provide our business partners with the tools they need to succeed. We have invested, and expect to continue to invest, significant resources in developing and marketing these innovations. We can give no assurances that the changes we make will yield the benefits we expect and will not have unintended or adverse impacts. If we are unable to continue offering innovative products and services and quality features that customers want to use, existing customers may become dissatisfied and use competitors' offerings and we may be unable to attract additional customers, which could adversely affect our business and financial performance.

Our dedication to making the consumer experience our highest priority may cause us to prioritize rapid innovation and consumer experience over short-term financial results. We strive to create the best experience for our consumers. We believe that in doing so we will increase our traffic conversion (i.e., visitors converting into clicks and/or bookings), revenue and financial performance. We have taken actions in the past, and may continue to take actions in the future, that have the effect of reducing our short-term financial results if we believe the actions benefit the overall consumer experience. These decisions may not produce the long-term benefits we expect, new or enhanced products may fail to engage consumers and/or we may be unsuccessful in our efforts to monetize these initiatives, in which case our relationships with consumers and travel partners, and our business and financial performance could be harmed.

We are dependent upon the quality of traffic in our network to provide value to our travel partners, and any failure in our ability to deliver quality traffic and/or the metrics to demonstrate the value of the traffic could have a material and adverse impact on the value of our platform to our travel partners and adversely affect our revenue. We use technology and processes to monitor the quality of the internet traffic that we deliver to our travel partners and have identified metrics to demonstrate the quality of that traffic and identify low quality clicks such as non-human processes, including robots, spiders, the mechanical automation of clicking and other types of invalid clicks or click fraud. Even with such monitoring in place, there is a risk that a certain amount of low-quality traffic will be delivered to such online advertisers. Such low-quality or invalid traffic may be detrimental to our relationships with travel partners and could adversely affect our advertising pricing and revenue.

We rely on assumptions and estimates and data to calculate certain of our key metrics, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business. Certain metrics are key to our business; as both the industry in which we operate and our businesses continue to evolve, so too might the metrics by which we evaluate our businesses. While the calculation of the metrics we use is based on what we believe to be reasonable estimates, our internal tools are not independently verified by a third-party and have a number of limitations; furthermore, our methodologies for tracking these metrics may change over time. For example, a single person may have multiple accounts or browse the internet on multiple browsers or devices, some consumers may restrict our ability to accurately identify them across visits, some mobile apps automatically contact our servers for regular updates with no user action, and we are not always able to capture user information on our platform. As such, the calculations of our unique users may not accurately reflect the number of people actually visiting our platform. If the internal tools we use to track these metrics under-count or over-count performance or contain algorithm or other technical errors, the data we report may not be accurate. We continue to improve upon our tools and methodologies to capture data; however, the improvement of our tools and methodologies could cause inconsistency between current data and previously reported data, which could confuse investors or lead to questions about the integrity of our data. Finally, we may, in the future, identify new or other metrics that enable us to more accurately evaluate our business. Accordingly, investors should not place undue reliance on these metrics.

We rely on the performance of highly skilled personnel and if we are unable to retain or motivate key personnel or hire, retain and motivate qualified personnel our business would be harmed. The contributions of key senior management and the contributions of software engineers and other technology professionals are critical to our overall management and the success of our business. We cannot ensure that we will be able to retain the services of our existing key personnel and the loss of one or more of our key personnel, without a suitable replacement, could seriously harm our business. We do not maintain any key person life insurance policies.

Stephen Kaufer, our co-founder, Chief Executive Officer and President, is expected to step down from his position in 2022. While our Board has initiated an open search for Mr. Kaufer's position, we have not yet named a successor. We cannot ensure that we will be able to find a suitable replacement for Mr. Kaufer on the expected timeline. Moreover, leadership transitions can be inherently difficult to manage, and an inadequate transition to a permanent successor may cause disruptions to our business due to, among other things, diverting management's attention or causing a deterioration in morale. Additionally, the ability of a new CEO to quickly expand their knowledge of our business plans, operations and strategies will be critical to their ability to make informed decisions about our strategy and operations. Further, if our new CEO formulates different or changed views, the future strategy and plans of the Company may differ materially from those of the past.

The success of our operations and the quality of our services are also highly dependent on our ability to attract and retain skilled personnel. During 2020, our headcount was reduced by nearly 1,600 employees. During 2021, we saw historic levels of attrition. This reduction in workforce and attrition results in the loss of institutional knowledge, relationships, or expertise for critical roles. This could also have a negative impact on employee morale and productivity, make it more difficult to retain valuable key employees, divert attention from operating our business, create personnel capacity constraints and hamper our ability to grow, develop innovative products and compete, any of which could impede our ability to operate or meet strategic objectives. For employees, we compete with companies that have far greater financial resources than we do as well as companies that promise short-term growth opportunities and/or other benefits. If we do not succeed in attracting well-qualified employees or retaining or motivating existing employees, our business would be adversely affected.

Acquisitions, investments, significant commercial arrangements and/or new business strategies could present new challenges and risks and disrupt our ongoing business. We have acquired, invested in and/or entered into significant commercial arrangements with a number of businesses in the past and our future growth may depend, in part, on future acquisitions, investments, commercial arrangements and/or changes in business strategies. Such endeavors may involve significant risks and uncertainties, including, but not limited to, the following:

- Costs incurred to identify, pursue and fund these endeavors that may or may not be successful and may limit other potential uses of cash;
- Amortization expenses related to acquired intangible assets and other adverse accounting consequences;
- Diversion of management's attention or other resources from our existing business;
- Difficulties and expenses in integrating the operations, products, technology or personnel;
- Difficulties in implementing and retaining uniform standards, controls, procedures, policies and information systems;
- Assumption of debt and liabilities, including costs associated with litigation, cybersecurity risks, and other claims;
- Failure of any such strategy or target to achieve anticipated objectives, revenues or earnings;
- Limited management or operational control and heightened reputational risk with respect to minority investments;
- Entrance into markets in which we have no prior experience; and
- Adverse market reaction to the transaction.

We have in the past invested, and may in the future invest, in privately-held companies. Such investments are inherently risky and our ability to liquidate any such investments is typically difficult. Valuations of such privately-held companies are inherently complex and uncertain due to the lack of liquid market for the companies' securities. We cannot assure you that these investments will be successful or that such endeavors will result in the realization of the synergies, cost savings and innovation that may be possible within a reasonable period of time, if at all. We could lose the full amount of our investments; any impairment of our investments could have a material adverse effect on our financial results.

Risks Related to Legal and Regulatory Matters

We are a global company that operates in many different jurisdictions inside and outside the U.S. and these operations expose us to additional risks. Many regions have different economic conditions, languages, currencies, legislation, regulatory environments, levels of political stability, levels of consumer expectations, and use of the internet for commerce. We are subject to risks typical of global businesses, including, but not limited to, the following:

- Compliance with additional laws and regulations, including but not limited to, laws and regulations regarding data privacy, labor and employment, advertising, anti-competition and tax;
- Difficulties in managing staff and operations due to distance, time zones, language and cultural differences;
- Restrictions on repatriation of cash and on investments in operations;
- Uncertainty regarding liability for services, content and intellectual property rights;
- Increased risk and limits on enforceability of intellectual property rights;
- Diminished ability to legally enforce contractual rights;
- Economic or political instability or laws involving economic or trade prohibitions or sanctions; and
- Threatened or actual acts of terrorism.

Our strategy includes continued expansion in existing markets and potentially new markets. In addition to the risks mentioned above, international markets have strong local competitors with established brands and travel service providers or relationships that may make expansion in certain markets difficult and costly and take more time than anticipated. In some markets, legal and other regulatory requirements may prohibit or limit participation by foreign businesses, such as by making foreign ownership or management of internet or travel-related businesses illegal or difficult or may make direct participation in those markets uneconomic, which could make our entry or expansion in those markets difficult or impossible, require that we work with a local partner or result in higher operating costs. If we are unsuccessful in expanding in existing and potentially new markets and effectively managing that expansion, our business and financial results could be adversely affected.

We are regularly subject to claims, lawsuits, government investigations, and other proceedings which may result in adverse outcomes and, regardless of the outcome, result in legal costs, diversion of management resources, injunctions or damage awards, and other negative results. It is possible that a resolution of one or more such proceedings could result in substantial damages, fines or penalties that could adversely affect our business, financial results or financial position. These proceedings could also result in reputational harm, criminal sanctions or consent decrees, the release of confidential information or orders preventing us from offering certain features, functionalities, products, or services, requiring a change in our business practices. Any of these consequences could adversely affect our business and financial results.

A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect our business or financial results. Our business and financial results could be adversely affected by unfavorable changes in or interpretations of existing laws, rules and regulations or the promulgation of new laws, rules and regulations applicable to us and our business, including, but not limited to, those relating to internet and online commerce, internet advertising, consumer protection, intermediary liability and data security and privacy. These laws continue to evolve. For example, there is, and will likely continue to be, an increasing number of laws and regulations pertaining to internet and online commerce and liability for information retrieved from or transmitted over the internet. In addition, the growth and development of online commerce may prompt calls for more stringent consumer protection laws and more aggressive enforcement efforts, data privacy and industry-specific laws and regulations. Further, our Rentals business has been and continues to be subject to regulatory developments globally that affect the rental industry, such as (i) statutes or ordinances that prohibit or limit property owners and managers from renting certain properties on a short-term basis, (ii) fair housing or other laws governing whether and how properties may be rented, and (iii) homeowners, condominium and neighborhood associations adopting or considering adopting rules that prohibit or restrict property owners and managers from short-term rentals. Operating in this dynamic regulatory environment requires significant management attention and financial resources. The failure of our businesses to comply with these laws and regulations could result in fines and/or proceedings against us by governmental agencies, regulatory authorities, courts and/or consumers, which, if material, could adversely affect our business and financial results.

The promulgation of new laws, rules and regulations, or new interpretations of existing laws, rules and regulations, could require us to change certain aspects of our business, operations and relationships to ensure compliance, which could decrease demand for services, reduce revenues, increase costs and/or subject the Company to additional liabilities. For example, many jurisdictions have adopted, and many jurisdictions are considering adopting, privacy rights and consumer protections for their residents, which legislation will continue to change the landscape for the use and protection of data and could increase the cost and complexity of delivering our services.

Unfavorable changes could limit marketing methods and capabilities, decrease demand for products and services, impede development of new products, require significant management time, increase costs and/or subject us to additional liabilities. Violations of these laws and regulations could result in penalties, criminal sanctions and/or negative publicity against us, our officers or our employees and/or restrictions on the conduct of our business.

We face risks related to our intellectual property. We rely on content, brands and technology, much of which is proprietary. We protect our content, brands and technology by, among other things, a combination of maintenance and enforcement of registered and unregistered intellectual property rights (e.g. trademarks, copyrights and trade secrets), technological solutions and contractual protections. Even with these precautions, it may be possible for another party to copy or otherwise obtain and use our intellectual property, without authorization or to independently develop similar content, brands or technology. Any misappropriation or violation of our rights could have a material adverse effect on our business.

Effective intellectual property protection may not be available in every jurisdiction in which our platform or services are made available and policing unauthorized use of our intellectual property is difficult and expensive. Therefore, in certain jurisdictions, we may be unable to adequately protect our intellectual property against unauthorized third-party copying or use. We cannot be sure that the steps we have taken will prevent misappropriation or infringement of our intellectual property. Furthermore, we may need to go to court or other tribunals in order to enforce our rights or scope of the proprietary rights of others. These proceedings might result in substantial costs and diversion of resources and management attention and we cannot accurately predict the likelihood of success in such proceedings. Our failure to protect our intellectual property in an effective manner could have a material adverse effect on our business.

We currently license some of the intellectual property displayed on our platform from third parties. As we continue to introduce new services that incorporate new intellectual property, we may be required or elect to license additional intellectual property. We cannot be sure that such licenses will be available on commercially reasonable terms, if at all.

From time to time, in the ordinary course of our business, we have been subject to, and are currently subject to, legal proceedings and claims relating to third-party intellectual property rights, and we expect that third parties will continue to assert intellectual property claims against us, particularly as we expand the complexity and scope of our platform and services. Successful intellectual property claims against us could result in significant monetary liability or prevent us from operating our business, or portions of our business, or require us to change business practices or develop non-infringing intellectual property, which could require significant effort and expense. In addition, resolution of claims may require us to obtain releases or licenses to use intellectual property rights belonging to third-parties, which may be expensive to procure, or possibly to cease using those rights altogether. Any of these events could have a material adverse effect on our business, results of operations and financial condition.

Increased focus on our environmental, social, and governance ("ESG") responsibilities have and will likely continue to result in additional costs and risks, and may adversely impact our reputation, employee retention, and willingness of customers and partners to do business with us. Institutional, individual, and other investors, proxy advisory services, regulatory authorities, consumers and other stakeholders are increasingly focused on ESG practices of companies. The standards for tracking and reporting on ESG matters and disclosure frameworks are relatively new, have not been harmonized, and continue to evolve. Ensuring there are systems and processes in place to comply with the various ESG tracking and reporting obligations will require management time and expense. As we look to respond to evolving standards for identifying, measuring, and reporting ESG metrics, our efforts may result in a significant increase in costs and may nevertheless not meet investor or other stakeholder expectations and evolving standards or regulatory requirements, which may negatively impact our financial results, our reputation, our ability to attract or retain employees, our attractiveness as a service provider, investment, or business partner, or expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders.

Risks Related to Data Security and Privacy

Our processing, storage and use of personal information and other data subjects us to additional laws and regulations and failure to comply with those laws and regulations could give rise to liabilities. The security of data when engaging in electronic commerce is essential to maintaining consumer and service provider confidence in our services. We are subject to a variety of laws in the U.S. and abroad regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information, the scope of which are changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other existing laws. The regulatory framework for privacy issues worldwide is currently in flux and is likely to remain so for the foreseeable future. In addition, practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet have recently come under increased public scrutiny.

Implementing and complying with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise affect our operations. Any failure or perceived failure by us to comply with our privacy and information security policies, privacy-related obligations to consumers or other third parties, or privacy-related legal obligations, may result in litigation or governmental enforcement actions that could harm our reputation and cause our consumers and travel partners to lose trust in us, any of which could have an adverse effect on our business, brand, market share and financial results.

We are subject to risks associated with processing credit card and other payment transactions and failure to manage those risks may subject us to fines, penalties and additional costs and could have a negative impact on our business. We accept payments from consumers and travel partners using a variety of methods, including credit, debit and invoicing. We are subject to regulations and compliance requirements, including obligations to implement enhanced authentication processes. We rely on third parties to provide certain payment methods and payment processing services and our business could be disrupted if these companies become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, including data security rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. We are also subject to a number of other laws and regulations relating to payments, money laundering, international money transfers and privacy and information security. These laws, regulations and/or requirements result in significant costs and, yet, we may still be susceptible to fraudulent activity or cyber-threats. If we fail to comply with these rules or requirements or if our data security systems are breached or compromised, we may be liable for card issuing banks' costs, subject to fines, penalties and higher transaction fees, and/or lose our ability to accept credit and debit card payments, process electronic funds transfers, or facilitate other types of online payments. In addition, for certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability.

Additionally, our marketplace activities in the U.K. and Europe require us to obtain a payment institution license under the Second Payment Services Directive ("PSD2") which replaced the Payment Services Directive ("PSD") effective January 13, 2018. PSD2 requires a license to perform certain defined "payment services" in a European Economic Area ("EEA") member state. Conditions for obtaining the license include minimum capital requirements, establishment of procedures for safeguarding of funds, and certain governance and reporting requirements. Certain obligations relating to internal controls and the conduct of business, in particular, consumer disclosure requirements and certain rules regarding the timing and settlement of payments, must be met.

It is possible that we could become subject to regulatory enforcement or other proceedings in those states or other jurisdictions with money transmission, or other similar statutes or regulatory requirements, including an EEA member state, related to the handling or moving of money, which could in turn have a significant impact on our business, even if we were to ultimately prevail in such proceedings. If we are ultimately deemed to be in violation of one or more money transmitter or other similar statutes or regulatory requirements related to the handling or moving of money in the U.S., the EEA or other jurisdictions, we may be subject to the imposition of fines or restrictions on our business, our ability to offer some or all of our services in the relevant jurisdiction may be suspended, and we may be subject to civil or criminal liability and our business, results of operations and financial position could be materially adversely affected.

System security issues, data protection breaches, cyberattacks and system outage issues could disrupt our operations or services provided to our consumers, and any such disruption could damage our reputation and adversely affect our business, financial results and share price. Our reputation and ability to attract, retain and service our consumers and travel partners is dependent upon the reliable performance and security of our computer systems and those of third parties we utilize in our operations. Significant security issues, data breaches, cyberattacks and outages, interruptions or delays, in our systems or third-party systems upon which we rely, could impair our ability to display content or process transactions and significantly harm our business. Breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us, our consumers or our travel partners, could expose us, our consumers and travel partners to a risk of loss or misuse of this information, damage our brand and reputation or otherwise harm our business and financial performance and could result in government enforcement actions and litigation and potential liability for us. The costs of enhancing infrastructure to attain improved stability and redundancy may be time consuming and expensive and may require resources and expertise that are difficult to obtain. In addition, to the extent that we do experience a data breach, remediation may be costly and we may not have adequate insurance to cover such costs.

Computer programmers and hackers also may be able to develop and deploy viruses, worms, ransomware and other malicious software programs that attack our products or otherwise exploit any vulnerabilities in our systems, or attempt to fraudulently induce our employees, consumers, or others to disclose passwords or other sensitive information or unwittingly provide access to our systems or data. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the system. We may need to expend significant resources to protect against security breaches or to investigate and address problems caused by cyber or other security problems. Failure to adequately protect against attacks or intrusions, whether for our own systems or systems of vendors, could expose us to security breaches that could have an adverse impact on our financial performance.

Much of our business is conducted with third-party partners and vendors. A security breach at such third-party could be perceived by consumers as a security breach of our systems and could result in negative publicity or reputational damage, expose us to risk of loss or litigation and subject us to regulatory penalties and sanctions. In addition, such incidents may also result in a decline in our user base and client base or engagement levels.

Media coverage of data breaches and public exposure of consumer data rights has increased, in part because of the rise of enforcement actions, investigations and lawsuits. Similarly, the increase in privacy activist groups is likely to give rise to further scrutiny, investigative actions and publicity. Security breaches could result in negative publicity, damage to reputation, exposure to risk of loss and possible liability due to regulatory penalties and sanctions. As this focus and attention on privacy and data protection increases, we also risk exposure to potential liabilities and costs resulting from the compliance with, or any failure to comply with, applicable legal requirements, conflicts among these legal requirements or differences in approaches to privacy and security. Security breaches could also cause travelers and consumers to lose confidence in our data security, which would have a negative effect on the value of our brand.

Evolving regulations, guidance and practices on the use of "cookies" and similar technology could negatively impact the way we do business. Cookies, or text files stored on consumers' web browsers, are common tools used by thousands of websites and apps, including ours, to store or gather information, improve site security, improve the customer experience, market to consumers and increase conversion on their websites. Many countries have adopted data protection laws and regulations governing the use of cookies and other similar tracking technologies by websites and app developers. Such regulations could limit our ability to serve certain customers in the manner we currently do, including with respect to retargeting or personalized advertising, impair our ability to improve and optimize performance on our platform, negatively affect a consumer's experience using our platform and negatively impact our business. Equally, privacy has been the impetus behind a move towards a cookie-less online ecosystem which poses a potential risk to our online behavioral advertising strategy. For example, Apple and Google continue to announce new privacy features that may limit our ability to use cookies and similar technology to improve the consumer experience.

Risks Related to Financial Matters

We have indebtedness which could adversely affect our business and financial condition. With respect to the 2025 Senior Notes and 2026 Senior Notes, we are subject to risks relating to our existing or potential indebtedness that include:

- Requirement to dedicate a portion of our cash flow to principal and interest payments, thereby reducing the availability of cash to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- Difficulties to optimally capitalize and manage the cash flow for our businesses;
- Possible competitive disadvantage compared to our competitors that have less debt;
- Limitations on our ability to borrow additional funds on acceptable terms or at all; and
- Exposure to increased interest rates to the extent our outstanding debt is subject to variable rates of interest.

Failure to comply with the various covenants contained in our Credit Agreement and the 2025 Indenture could have a material adverse effect on our business. The various covenants contained in the Credit Agreement and 2025 Indenture include those that limit our ability to, among other things:

- Incur indebtedness;
- Pay dividends on, redeem or repurchase our capital stock;
- Effect share repurchases;
- Enter into secured financing arrangements;
- Enter into sale and leaseback transactions; and
- Enter into unrelated businesses.

These covenants may limit our ability to optimally operate our business. Any failure to comply with the restrictions of our Credit Facility or our 2025 Senior Notes and 2026 Senior Notes may result in an event of default under the agreements governing such debt instruments and such default may allow the creditors to accelerate the debt incurred thereunder. In addition, lenders under the Credit Facility may be able to terminate any commitments they had made to supply us with further funds.

We may have future capital needs and may not be able to obtain additional financing on acceptable terms. Pursuant to the Credit Facility, we agreed to pledge substantially all of our assets, including the equity interests of our subsidiaries. This agreement also includes restrictive covenants that may limit our ability to secure additional financing in the future on favorable terms, if at all. Our ability to secure additional financing will also depend upon our future operating performance, which is subject to then prevailing general economic and credit market conditions, and financial, business and other factors, many of which are beyond our control.

We are subject to risks relating to our 2026 Senior Notes. During the first quarter of 2021, we adopted new accounting guidance issued by the Financial Accounting Standards Board ("FASB") which simplifies the accounting for convertible debt instruments by reducing the number of accounting models and the number of embedded conversion features that could be recognized separately from the primary contract. The new accounting guidance requires a convertible debt instrument to be accounted for as a single liability measured at its amortized cost, as long as no other features require bifurcation and recognition as derivatives. The new accounting guidance, among other things, requires an entity to use the if-converted method in the diluted earnings per share calculation for convertible instruments. Under the if-converted method, diluted earnings per share would generally be calculated assuming that all the notes were exchanged solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share, if any.

Furthermore, if any of the conditions to the conversion of the 2026 Senior Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the 2026 Senior Notes as a current, rather than a long-term, liability. This reclassification could be required even if no noteholders exchange their 2026 Senior Notes and could materially reduce our reported working capital.

Holders of our 2026 Senior Notes may convert the 2026 Senior Notes after the occurrence of certain dates or events. Refer to "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information on our 2026 Senior Notes. Settlement of the 2026 Senior Notes could adversely affect our liquidity.

We are subject to risks relating to the Capped Calls. In connection with the issuance of the 2026 Senior Notes, we entered into privately negotiated capped call transactions (the "Capped Calls") to reduce potential dilution to our common stock and/or offset cash payments we must make in excess of the principal amount, in each case, upon any conversion of Senior Notes, with such offset subject to a cap. We are subject to the risk that one or more of the hedge counterparties may default under the Capped Calls. If any of the hedge counterparties become subject to insolvency proceedings, we will become an unsecured creditor with a claim equal to our exposure at that time under our transactions with such counterparties. Our exposure will depend on many factors but, generally, the increase in our exposure will be correlated to the increase in the market price and in the volatility of our common stock. In addition, upon a default by a hedge counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock.

Our financial results are difficult to forecast; they have fluctuated in the past and will likely fluctuate in the future. Our financial results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

- Our ability to maintain and grow our consumer base and to increase user engagement;
- Increases in marketing, sales and other expenses that we will incur to grow and expand our operations and to remain competitive;
- Fluctuations in the marketing spend of our travel partners due to seasonality, global or regional events or other factors;
- User behavior or product changes that may reduce traffic to features or products that we successfully monetize;
- System failure or outages, which would prevent us from serving ads for any period of time;
- Breaches of security or privacy and the costs associated with any such breaches and remediation;
- Fees paid to third parties for content or promotion of our products and services;
- Adverse litigation judgments, settlement or other litigation related costs;
- Changes in the legislative or regulatory environment or engagement by regulators;
- Changes in tax laws, which may significantly affect our tax rates and taxes due;
- Tax obligations that may arise from resolutions of tax examinations that may materially differ from the amounts we have anticipated;
- Fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- Changes in U.S. GAAP; and
- Changes in global business and macroeconomic conditions.

As a result, you should not rely upon our quarterly financial results as indicators of future performance.

If we are unable to successfully maintain effective internal control over financial reporting, investors may lose confidence in our reported financial information and our business and our share price may be adversely impacted. As a public company, we are required to maintain internal control over financial reporting and our management is required to evaluate the effectiveness of our internal control over financial reporting as of the end of each fiscal year. If we are not successful in maintaining effective internal control over financial reporting, there could be inaccuracies or omissions in the financial information we file with the SEC. Additionally, even if there are no inaccuracies or omissions, we could be required to publicly disclose our management's conclusion that our internal control over financial reporting or disclosure controls and procedures are not effective. These events could cause investors to lose confidence in our reported financial information, result in increased costs to remediate any deficiencies, attract regulatory scrutiny or lawsuits that could be costly to resolve and distract management's attention, limit our ability to access the capital markets, adversely impact our stock price, or cause our stock to be delisted from The Nasdaq or any other securities exchange on which we are then listed.

Risks Related to Tax Matters

Our effective income tax rate is impacted by a number of factors that could have a material impact on our financial results and could increase the volatility of those results. Due to the global nature of our business, we are subject to income taxes in the U.S. and other foreign jurisdictions. In the event we incur taxable income in certain jurisdictions but incur losses in other jurisdictions, we generally cannot offset the income from one jurisdiction with the loss from another. This lack of flexibility could affect our effective income tax rate. Furthermore, significant judgment is required to calculate our worldwide provision for income taxes and depends on our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Our future income tax rates could be affected by a number of matters outside of our control, including but not limited to changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets or accounting for share-based compensation. If our effective income tax rates were to increase, our financial results and cash flows would be adversely affected.

Application of U.S. state and local or international tax laws, changes in tax laws or tax rulings, or the examination of our tax positions, could materially affect our financial position and results of operations. As an international business, we are subject to income taxes and non-income-based taxes in the U.S. and various other international jurisdictions. Tax laws are subject to change as new laws are passed and new interpretations of the laws are issued or applied. Due to economic and political conditions, tax rates and tax regimes may be subject to significant change and the tax benefits that we intend to eventually derive could be undermined due to changing tax laws. Governments are increasingly focused on ways to increase tax revenues, which has contributed to more aggressive positions taken by tax authorities and an increase in tax legislation. Any such additional taxes or other assessments may be in excess of our current tax provisions or may require us to modify our business practices in order to reduce our exposure to additional taxes going forward, any of which could have a material adverse effect on our business, results of operations and financial condition. Any changes to international tax laws or any additional reporting requirements may increase the complexity and costs associated with tax compliance and adversely affect our cash flows and results of operations.

The Organization for Economic Cooperation and Development ("OECD") has been working on a Base Erosion and Profit Shifting Project and has issued various reports, guidelines, policy notes, and proposals that if adopted could result in an overhaul of the international taxation system under which our current tax obligations are determined. In October 2021, more than 130 countries tentatively signed on to a framework, expected to be implemented in 2023, which calls for a minimum tax rate on corporations of 15% and a reallocation of profits from the largest and most profitable businesses to countries where they make sales. The proposed framework, once enacted, envisages new international tax rules and the removal of all digital services taxes. As this framework is subject to further negotiation and implementation by each member country, the timing and ultimate impact of any such changes on our tax obligations is uncertain. As the OECD/G20 continues to drive toward a consensus framework, several countries which have previously enacted unilateral digital services tax initiatives, such as France, Italy, Spain, and the U.K., will continue to impose these revenue based taxes until implementation of the consensus framework. During the years ended December 31, 2021 and 2020, we recorded $1 million and $2 million, respectively, of digital service tax to general and administrative expense on our consolidated statements of operations.

We are routinely under audit by federal, state and foreign taxing authorities. The ultimate outcome of these examinations (including the Internal Revenue Service ("IRS") audit described below) cannot be predicted with certainty but could be materially different from our income tax provisions and accruals and could have a material effect on our results of operations or cash flows in the period or periods for which that determination is made. Should the IRS or other taxing authorities assess additional taxes as a result of examinations, we may be required to record charges to our results of operations, which could harm our operating results and financial condition.

Changes in the tax treatment of companies engaged in e-commerce may adversely affect the commercial use of our platform and our financial results. Tax authorities at the international, federal, state and local levels are currently reviewing the appropriate treatment of companies engaged in e-commerce and it is possible that various jurisdictions may attempt to levy additional or new sales, income or other taxes relating to our activities. For example, Congress is considering various approaches to legislation that would require companies engaged in e-commerce to collect sales tax on internet revenue and a growing number of U.S. states and certain foreign jurisdictions have adopted or are considering proposals to impose obligations on remote sellers and online marketplaces to collect taxes on their behalf. Additionally, the U.S. Supreme Court's ruling in South Dakota v. Wayfair Inc., in which a Court reversed longstanding precedent that remote sellers are not required to collect state and local sales taxes, may have an adverse impact on our business. Also, as described in more detail above, certain U.S. states and countries in which we do business have enacted or proposed digital services tax initiatives. New or revised international, federal, state or local tax regulations or court decisions may subject us or our customers to additional sales, occupancy, income and other taxes. We cannot predict the effect of these and other attempts to impose sales, income or other taxes on e-commerce; however, new or revised taxes and, in particular, sales taxes, occupancy taxes, value added taxes ("VAT"), and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of selling products and services over the internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have a material adverse effect on our business, financial results and financial condition.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, occupancy, VAT or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our operating results. We do not collect and remit sales and use, occupancy, VAT or similar taxes in all jurisdictions in which we have sales, based on our belief that such taxes are not applicable or legally required. Several states and other taxing jurisdictions have presented or threatened us with assessments, alleging that we are required to collect and remit certain taxes there. While we do not believe that we are subject to such taxes and intend to vigorously defend our position in these cases, we cannot be sure of the outcome of our discussions and/or appeals with these states. In the event of an adverse outcome, we could face assessments, plus any additional interest and penalties. We also expect additional jurisdictions may make similar assessments or pass similar new laws in the future, and any of the jurisdictions where we have sales may apply more rigorous enforcement efforts or take more aggressive positions in the future that could result in greater tax liability allegations. Such tax assessments, penalties and interest or future requirements may materially adversely affect our business, financial condition and operating results.

We continue to be subject to significant potential tax liabilities in connection with the Spin-Off. Under the Tax Sharing Agreement between us and Expedia entered into in connection with the Spin-Off, we are generally required to indemnify Expedia for any taxes resulting from the Spin-Off (and any related interest, penalties, legal and professional fees, and all costs and damages associated with related stockholder litigation or controversies). We continue to be responsible for potential tax liabilities in connection with consolidated income tax returns filed with Expedia prior to or in connection with the Spin-Off. By virtue of previously filed consolidated tax returns with Expedia, we are currently under IRS audit for the 2009, 2010, and short-period 2011 tax years and, in connection with that audit, have received Notices of Proposed Adjustment from the IRS which would result in an increase in our worldwide income tax expense. We have requested competent authority assistance under the Mutual Agreement Procedure ("MAP") for tax years 2009 through 2011. We expect the competent authorities to present a resolution for the 2009 through 2011 tax years in the near future. Upon receipt, we will assess the resolution provided by the competent authorities as well as its impact on our existing income tax reserves for all open subsequent years. The outcome of these matters or any other audits could subject us to significant tax liabilities. Refer to "Note 12: *Income Taxes*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information on this IRS audit.

We face risks associated with fluctuations in foreign currency exchange rates. As a result, we face exposure to movements in foreign currency exchange rates including, but not limited to, re-measurement of gains and losses from changes in the value of foreign denominated assets and liabilities; translation gains and losses on foreign subsidiary financial results that are translated into U.S. dollars upon consolidation; and planning risk related to changes in exchange rates between the time we prepare our annual and quarterly forecasts and when actual results occur. For example, in the event that one or more European countries were to replace the Euro with another currency, our sales into such countries, or into Europe generally, would likely be adversely affected until stable exchange rates are established. Accordingly, fluctuations in foreign currency exchange rates, such as the strengthening of the U.S. dollar against the Euro or the British pound, could adversely affect our net revenue growth in future periods.

In the event of severe volatility in exchange rates, the impact of these exposures can increase and the impact on results of operations can be more pronounced. In addition, the current environment and the increasingly global nature of our business have made hedging these exposures more complex. We hedge certain short-term foreign currency exposures with the purchase of forward exchange contracts. These forward exchange contracts only help mitigate the impact of changes in foreign currency rates that occur during the term of the related contract period and carry risks of counter-party failure. There can be no assurance that our forward exchange contracts will have their intended effects.

Risks Related to Ownership of our Common Stock

Liberty TripAdvisor Holdings, Inc. currently is a controlling stockholder. Liberty TripAdvisor Holdings, Inc., or LTRIP, effectively controls the outcome of all matters submitted to a vote or for the consent of our stockholders (other than with respect to the election by the holders of our common stock of 25% of the members of our Board of Directors and matters as to which Delaware law requires separate class votes). Our Chairman, Gregory Maffei, and Directors Greg O'Hara and Albert Rosenthaler, also serve as officers and directors of LTRIP. LTRIP may have interests that differ from those of our other stockholders and may vote in a way with which our other stockholders may not agree or that may be adverse to other stockholders' interests. LTRIP is not restricted from investing in other businesses related to our business. LTRIP's control of us, as well as the provisions of our organizational documents and Delaware law, may discourage or prevent a change of control that might otherwise be beneficial, which may reduce the market price of our common stock.

The market price and trading volume of our common stock has experienced, and could continue to experience in the future, substantial volatility. The market price of our common stock is affected by a number of factors, including:

- Quarterly variations in our or our competitors' results of operations;
- Changes in earnings estimates or recommendations by securities analysts;
- Failure to meet market expectations;
- The announcement of new products or product enhancements by us or our competitors;
- Repurchases of our common stock;
- Developments in our industry, including changes in governmental regulations; and
- General market conditions and other factors.

In the past, the stock market has experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations and general economic, political and market conditions, such as recessions, interest rate changes or foreign currency exchange fluctuations, may negatively impact the market price of our common stock regardless of our actual operating performance.

We are currently relying on the "controlled company" exemption under Nasdaq Stock Market Listing Rules, pursuant to which "controlled companies" are exempt from certain corporate governance requirements otherwise applicable under Nasdaq listing rules. The Nasdaq Stock Market Listing Rules exempt "controlled companies," or companies of which more than 50% of the voting power is held by an individual, a group or another company, from certain corporate governance requirements. We currently rely on the controlled company exemption for certain of the above requirements, including the requirement that director nominees be selected or recommended to the Board of Directors by a majority of its independent directors or by a nominating committee that is composed entirely of independent directors. Accordingly, our stockholders will not be afforded the same protections generally as stockholders of other Nasdaq-listed companies with respect to corporate governance for so long as we rely on these exemptions from the corporate governance requirements.

We do not pay regular quarterly or annual cash dividends on our stock. Any determination to pay dividends is at the discretion of our Board of Directors and will depend on our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions and other factors deemed relevant by our Board of Directors. Therefore, investors should not rely on regular quarterly or annual dividend income from shares of our common stock and investors should not rely on special dividends with any regularity or at all.

Future sales of shares of our common stock in the public market, or the perception that such sales may occur, may depress our stock price. Sales of substantial amounts of our common stock in the public market, particularly sales by our directors, officers, employees and significant stockholders, or the perception that these sales might occur, could depress the market price of our common stock and could impact our ability to raise capital through the sale of additional securities. In addition, certain stockholders have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. A decline in the price of shares of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities.

Anti-takeover provisions in our organizational documents and Delaware law may discourage or prevent a change of control, even if an acquisition would be beneficial to our stockholders, which could affect our stock price adversely and prevent attempts by our stockholders to replace or remove our current management.

These provisions include:

- Authorization and issuance of Class B common stock that entitles holders to ten votes per share;
- Authorization of the issuance of preferred stock which can be created and issued by the Board of Directors without prior stockholder approval, with rights senior to those of our common stock;
- Prohibition of our stockholders to fill board vacancies or call special stockholder meetings; and
- Limitations on who may call special meetings of stockholders.

These and other provisions in our certificate of incorporation, bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board of Directors or initiate actions that are opposed by our then-current Board of Directors, including a merger, tender offer or proxy contest involving our company. Any delay or prevention of a change of control transaction or changes in our Board of Directors could cause the market price of our common stock to decline.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2021, we do not own any real estate. We lease approximately 280,000 square feet of office space for our corporate headquarters in Needham, Massachusetts, or Headquarters Lease. Our Headquarters Lease, has an expiration date of December 2030, with an option to extend the lease term for two consecutive terms of five years each. We also lease an aggregate of approximately 430,000 square feet of office space at approximately 35 locations across North America, Europe, Asia Pacific and South America, in cities such as New York, London, Sydney, Barcelona, Buenos Aires and Paris, primarily used as sales offices, subsidiary headquarters, and for international operations, pursuant to leases with various expiration dates. We believe that our current facilities are adequate for our current operations and that additional leased space can be obtained on reasonable terms if needed.

Item 3. Legal Proceedings

Refer to "Note 13: *Commitments and Contingencies*" in the notes to the consolidated financial statements in Part II, Item 8 on this Annual Report on Form 10-K, for further information on our legal proceedings. For an additional discussion of certain risks associated with legal proceedings, see "Risk Factors" in Part I, Item 1A on this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

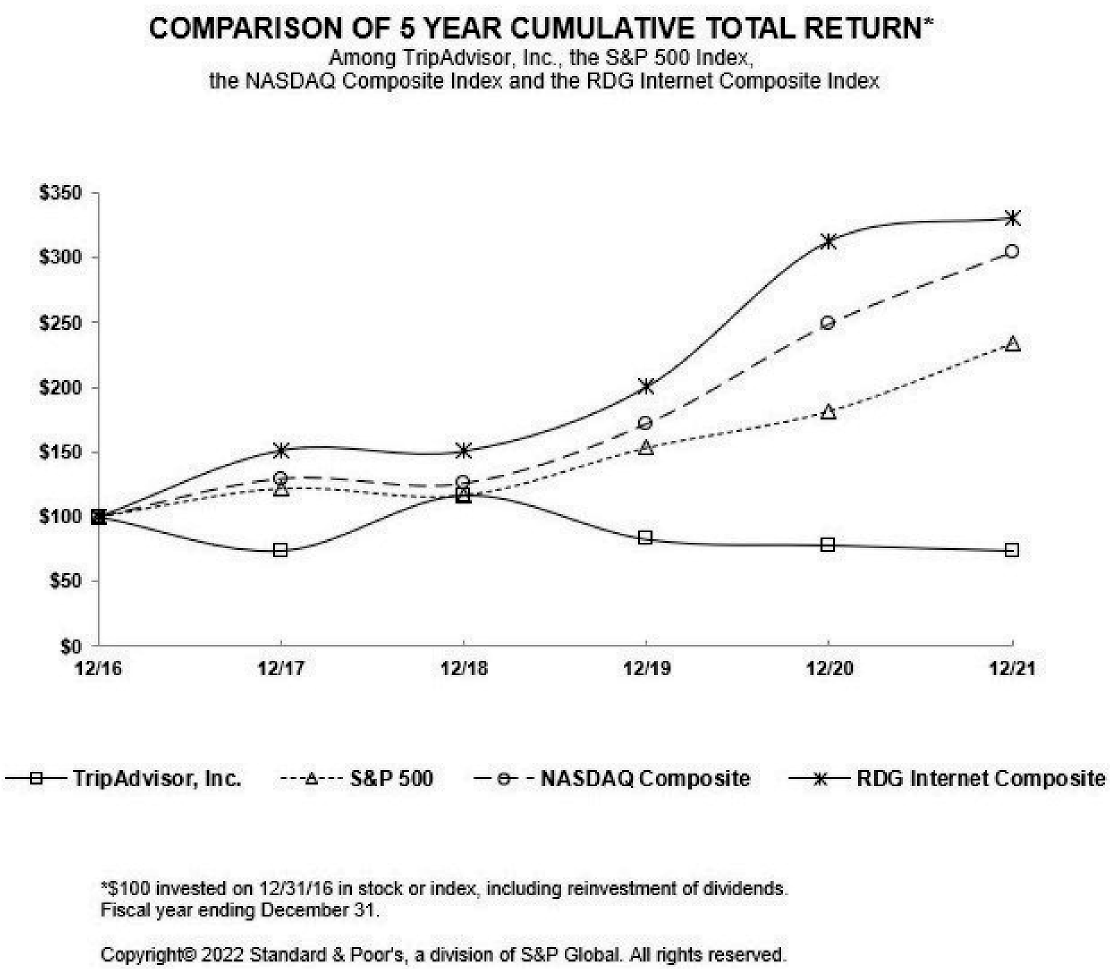
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is quoted on The Nasdaq under the ticker symbol "TRIP." Our Class B common stock is not listed and there is no established public trading market for that security. As of February 11, 2022, all of our Class B common stock was held by LTRIP.

Performance Comparison Graph

The following graph provides a comparison of the total stockholder return from December 31, 2016 to December 31, 2021, of an investment of $100 in cash on December 31, 2016 for Tripadvisor, Inc. common stock and an investment of $100 in cash on December 31, 2015 for (i) the Standard and Poor's 500 Index (the "S&P 500 Index"), (ii) The Nasdaq Composite Index, and (iii) the Research Data Group ("RDG") Internet Composite Index. The RDG Internet Composite Index is an index of stocks representing the internet industry, including internet software and service companies and e-commerce companies. The stock price performance shown on the graph below is not necessarily indicative of future price performance. Data for the S&P 500 Index, The Nasdaq Composite Index, and the RDG Internet Composite Index assume reinvestment of dividends.



This performance comparison graph is not "soliciting material," is not deemed filed with the SEC and is not deemed to be incorporated by reference into any filing of Tripadvisor, Inc. under the Securities Act or any filing under the Exchange Act.

Holders of Record

As of February 11, 2022, there were 125,873,185 outstanding shares of our common stock held by 1,916 stockholders of record, and 12,799,999 outstanding shares of our Class B common stock held by one stockholder of record: LTRIP.

Dividends

While the Company did pay a special cash dividend of $3.50 per share to stockholders, or approximately $488 million in the aggregate, on December 4, 2019, we did not declare or pay any dividends during the years ended December 31, 2021 or 2020. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend on our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions and other factors deemed relevant by our Board of Directors. In addition, our ability to pay dividends was also limited by the terms of our Credit Agreement and our 2025 Indenture. Therefore, investors should not rely on regular quarterly or annual dividend income from shares of our common stock and investors should not rely on special dividends with any regularity, or at all. Investors should rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize future gains on their investments.

Securities Authorized for Issuance Under Equity Compensation Plans

The information required under this item is incorporated herein by reference to our 2022 Proxy Statement, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of our fiscal year ended December 31, 2021.

Unregistered Sales of Equity Securities

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

In March 2021, we completed the sale of $345 million of 2026 Senior Notes. Refer to "Note 10: *Debt*" in the notes to the consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information about our 2026 Senior Notes.

Issuer Purchases of Equity Securities

During the quarter ended December 31, 2021, we did not repurchase any shares of our common stock under our existing share repurchase program. As of December 31, 2021, we had $75 million remaining available to repurchase shares of our common stock under our previously authorized share repurchase program.

While the Board of Directors has not suspended or terminated the share repurchase program, the terms of our Credit Agreement limit the Company from engaging in share repurchases and the terms of our 2025 Indenture related to our 2025 Senior Notes impose certain limitations and restrictions on share repurchases. Refer to "Note 10: *Debt*" in the notes to the consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information about our Credit Agreement and our 2025 Indenture.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes in Item 8 on this Annual Report on Form 10-K.

Overview

Tripadvisor operates the world's largest travel guidance platform, connecting a global audience of prospective travelers with travel partners through rich content, price comparison tools, and online reservation and related services for destinations, accommodations, travel activities and experiences, and restaurants. Our mission is to help people around the world plan, book and experience the perfect trip.

In 2000, under our flagship brand Tripadvisor, we launched www.Tripadvisor.com in the U.S. Since then, we have built a portfolio of travel guidance brands and businesses, seamlessly connecting travelers to destinations, accommodations, travel activities and experiences, and restaurants in over 40 markets and over 20 languages worldwide. As of December 31, 2021, Tripadvisor featured more than 1 billion reviews and opinions on nearly 8 million hotels and other accommodations, restaurants, experiences, airlines and cruises.

In addition to the flagship Tripadvisor brand, we own and operate a portfolio of online travel brands and businesses, operating under various websites, connected by the common goal of providing consumers the most comprehensive travel-planning and trip-taking resources in the travel industry. For information on our portfolio of brands and our business model, see the discussion set forth in Part I, Item 1. "Business", under the captions "Overview" and "Our Business Model."

Our reporting structure includes the following reportable segments: (1) Hotels, Media & Platform; and (2) Experiences & Dining. For further information regarding our segments, including the principal revenue streams within these segments and timing of revenue recognition and cashflows, refer to "Note 4: *Revenue Recognition*" and "Note 20: *Segment and Geographic Information*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K.

Executive Financial Summary

Tripadvisor is the world's largest travel guidance platform, as measured by unique users de-duplicated monthly, according to SimilarWeb. As a result, Tripadvisor represents an attractive platform for travel partners – including hotel chains, independent hoteliers, OTAs, destination marketing organizations, experience operators, restaurants, and other travel-related and non-travel related product and service providers – who seek to market and sell their products and services to a global audience. Tripadvisor's platform and product offerings enable consumers to discover, research and price shop a variety of travel products, including hotels, flights, cruises, cars, vacation rentals, tours, travel activities and other experiences, and restaurants; and book a number of these travel experiences either directly on our platform, or on our travel partners' websites or mobile apps.

Business Trends

The online travel industry in which we operate is large and also highly dynamic and competitive. Our overall strategy is to deliver more value to consumers and travel partners in order to generate more monetization on our platform. While we operate with a long-term growth focus, our specific growth objectives and resource allocation strategies can differ in both duration and magnitude within our segments. We describe below these dynamics, as well as the current trends affecting our overall business and reportable segments, key drivers of our financial results, and uncertainties that may impact our ability to execute on our objectives and strategies.

COVID-19

The COVID-19 pandemic has caused a significant negative impact on the travel, leisure, hospitality, and restaurant industries (collectively, the "travel industry"), and consequently adversely and materially affected our business, results of operations, liquidity and financial condition during the years ended December 31, 2021 and 2020. Among other impacts, COVID-19 has negatively impacted global consumer travel demand and consumers' ability to travel and take part in other travel, leisure, and dining activities, thereby causing many of our travel partners to operate at significantly reduced and/or intermittent service levels during this timeframe.

Commencing in late February 2020 and progressively worsening through March 2020, we experienced a significant decline in consumer demand for our products and services as well as an increase in customer cancellations, concurrent with widespread travel restrictions imposed by governments and businesses in response to the COVID-19 pandemic. In the second half of March 2020 and throughout April 2020, significant year-over-year revenue declines generally stabilized across the Company's segments and products, a trend which generally continued throughout the second quarter of 2020, although modestly improved during the third quarter of 2020. Beginning in the fourth quarter of 2020, however, local governments, particularly in Europe, began to impose new restrictions to mitigate the spread of the virus, which again negatively impacted trends. Also, in the fourth quarter of 2020, multiple COVID-19 vaccines were approved for widespread distribution throughout various parts of the world, including the United States and Europe, and in the first quarter of 2021, vaccination distribution programs were initiated around the world. Vaccine programs in our largest markets, the U.S and Europe, appear to be progressing well, and we expect the same for much of the rest of the world. We are encouraged by recent developments, although the timing and extent of widespread vaccine distributions on a global basis, and efficacy against recent variants (e.g., the Delta and Omicron) and future variants, if any, of COVID-19 remains unclear.

The adverse impact to our business from COVID-19 has been significant, albeit unevenly at different points in time and in different geographies throughout 2020. This adverse impact has been driven by the pandemic's proliferation, intermittent containment and resurgence of the virus, and new variants of the virus introduced throughout the world, followed by travel restrictions and other mandates put in place, lifted and/or reinstated at different timeframes during 2020 and 2021 by local governments to mitigate the spread of the virus. As such, the travel industry's recovery from the COVID-19 pandemic has been varied and uneven region-to-region on a global basis, as well as state-to-state in the U.S. These adverse impacts continued to negatively impact the travel industry and dampen consumer demand for our products and services at varied levels throughout 2021, although to a materially lesser extent in 2021 as the travel industry broadened its recovery.

In addition, the ultimate duration of the negative impact of COVID-19 on our results of operations, liquidity and financial condition remains uncertain and is dependent upon factors beyond our control, such as the continued transmission rate of COVID-19, including any new variants and/or additional resurgences of existing variants, if any, the extent and effectiveness of containment actions taken, vaccine efficacy, and the ultimate impact of these and other factors on consumer demand for travel and usage patterns on our platform. Although uncertainty remains, we generally saw continued improvement in the travel market in 2021 and expect that the market will continue to improve in 2022, driven by continued vaccination programs, the gradual lifting of government restrictions, and what we believe to be continued significant pent-up consumer demand for travel industry related services.

Traffic trends on our platform, a leading indicator of consumer travel demand, have improved since the trough of significant declines seen in the second half of March 2020 and throughout April 2020, as monthly unique users on Tripadvisor-branded websites for April 2020 were approximately 33% of the comparable period in 2019. By means of showing a comparison to a pre-COVID-19 timeframe, average monthly unique users on Tripadvisor-branded websites during the fourth quarter of 2021 were approximately 73% of 2019's comparable period despite impact late in the quarter from the Omicron variant, in comparison to approximately 55%, 70% and 76% of 2019's comparable periods during the first, second and third quarters of 2021, respectively, driven by vaccine progress, the easing of various government restrictions, albeit unevenly, and consumer travel demand's improving recovery.

Our consolidated revenue for the year ended December 31, 2021 was $902 million, or an increase of 49%, when compared to the same period in 2020. In addition, by means of showing a comparison to a pre-COVID-19 timeframe, consolidated revenue for the year ended December 31, 2021 was 58% of 2019's comparable period. Our consolidated revenue for the year ended December 31, 2020, was approximately 39% of 2019's comparable period. Revenue trends have also improved as 2021 has progressed as consolidated revenue for the fourth quarter of 2021 was approximately 72% of 2019's comparable period, in comparison to approximately 33%, 56% and 71% of 2019's comparable periods during the first, second and third quarters of 2021, respectively. This increase in revenue was driven largely by continued strength in the U.S. marketplace, but also due to marked improvement in Europe, where revenue began accelerating in May 2021 and continued through the third quarter of 2021, however was again impacted by the emergence of the Omicron variant late in the fourth quarter of 2021.

In response to the impact of the COVID-19 pandemic, we took several steps to further strengthen our financial position and balance sheet, and maintain financial liquidity and flexibility, including, but not limited to, restructuring activities, reducing our ongoing operating expenses and headcount, additional borrowings and issuances of debt, and amendments to our Credit Facility, all of which are described in more detail below.

Liquidity

During the first quarter of 2020, we borrowed $700 million under the Credit Facility as a precautionary measure to reinforce our liquidity position and preserve financial flexibility in light of uncertainty in the global markets resulting from COVID-19. We repaid these borrowings in full in the third quarter of 2020 using proceeds from our 2025 Senior Notes. In addition, during 2020, by means of amendments to our Credit Facility, we were able to secure, among other things, covenant relief in the form of suspending our leverage ratio covenant, until the earlier of the first day after June 30, 2021 through maturity on which borrowings and other revolving credit utilizations under the revolving commitments exceed $200 million, or such earlier date as we may elect, when the leverage ratio covenant will then be reinstated. We also extended the maturity date of this facility to May 2024.

In July 2020, we completed the sale of $500 million aggregate principal amount of senior notes in a private offering, our 2025 Senior Notes, at 7.0% per annum with a maturity date of July 15, 2025. We used the proceeds received of $490 million, net of debt issuance costs, to repay a portion of our Credit Facility borrowings.

In March 2021, we completed the sale of $345 million aggregate principal amount of senior notes in a private offering, our 2026 Senior Notes, at 0.25% per annum with a maturity date of April 1, 2026. Concurrently, we used a portion of the proceeds received from the 2026 Senior Notes to enter into privately negotiated capped call transactions with certain of the initial purchasers of the 2026 Senior Notes and/or their respective affiliates and/or other financial institutions at a cost of approximately $35 million. The Company intends to use the remainder of the proceeds from this offering for general corporate purposes, which may include repayment of debt, including the redemption and/or purchase of a portion of its 2025 Senior Notes prior to maturity.

We believe these measures provide us additional financial flexibility which we believe is important given our continued limited ability to predict our future financial performance due to the uncertainties associated with COVID-19.

Refer to “Note 10: *Debt”* in the notes to the consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information about our Credit Facility, 2025 Senior Notes, and 2026 Senior Notes.

Cost Reduction Measures

During the first quarter of 2020, the Company instituted a cost reduction initiative to preserve cash flows, including targeted workforce reduction measures largely in the Experiences & Dining segment, in addition to optimizing and reducing brand advertising as the Company pivoted to leverage newer advertising mediums we believe will be more effective than our historically television-focused campaign.

During the latter part of the first quarter of 2020, and in response to the COVID-19 pandemic, the Company instituted additional cost reduction measures, including the elimination of the majority of discretionary spending, business travel and non-critical vendor relationships, brand advertising, as well as the temporary cessation of nearly all new hiring and contingent staff, reduction of targeted employee benefits and the furlough of over 100 employees.

In April 2020, management approved and the Company announced an additional cost reduction initiative in response to the continued economic and financial impacts resulting from the COVID -19 pandemic, which included the following:

- Enacting a workforce reduction eliminating more than 900 employees;

- Furloughing additional employees bringing the total furloughed employees during March and April 2020 to approximately 850 employees, primarily in our European operations at The Fork; and
- Making targeted reductions of the Company's office lease portfolio, primarily either through subleasing or allowing property leases to expire.

The Company incurred total pre-tax restructuring and other related reorganization costs of approximately $41 million during the year ended December 31, 2020, as a result of these measures. Such costs were both recorded on our consolidated statement of operations and fully paid by the Company during 2020.

CARES Act and Other Governmental Relief

In March 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), an emergency economic stimulus package enacted in response to the COVID-19 pandemic, which includes numerous income tax provisions, some of which are effective retroactively. During the year ended December 31, 2021, the Company did not record any income tax benefit under the CARES Act; however, during the year ended December 31, 2020, the Company recorded an income tax benefit of $23 million as a result of a loss carryback provision provided under the CARES Act.

In addition, certain governments have passed legislation to help businesses during the COVID-19 pandemic through loans, wage subsidies, wage tax relief or other financial aid. Some of these governments have extended or are considering extending these programs. We have participated in several of these programs, including the CARES Act in the U.S., the United Kingdom's job retention scheme, as well as similar programs in other jurisdictions. In addition, in certain countries, such as within the European Union, Singapore, Australia, and other jurisdictions, we participated in programs where government assistance came in the form of wage subsidies and reductions in wage-related employer taxes paid by us. During the years ended December 31, 2021 and 2020, we recognized government grants and other assistance benefits of $9 million and $12 million, respectively, as a reduction of personnel and overhead costs in the consolidated statements of operations.

For further details of income tax benefits and other government assistance recorded by the Company under the CARES Act and other governmental relief programs, refer to "Note 12: *Income Taxes*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K.

Hotels, Media & Platform Segment

Our Hotels, Media & Platform segment is comprised of: Tripadvisor-branded hotels revenue and Tripadvisor-branded Display and Platform Revenue.

Tripadvisor-branded hotels revenue primarily consists of hotel auction revenue and, to a lesser extent, hotel B2B revenue, which primarily includes subscription-based advertising services that we offer to travel partners and click-based revenue generated from hotel sponsored placement advertising that enables hotels to enhance their visibility on Tripadvisor hotel pages. Tripadvisor-branded Display and Platform Revenue primarily includes impression-based advertising revenue.

Our overall strategic objective in our Hotels, Media & Platform segment is to drive revenue and profits while delivering compelling services to consumers and driving a holistic user experience, increased customer engagement and monetization, as well as offering travel partners a diverse set of advertising opportunities on the Tripadvisor platform.

For consumers, we test and implement product enhancements that deliver a more engaging and comprehensive hotel shopping experience. This includes providing rich, immersive content – reviews, photos, videos and ratings, among other contributions, increasing the number of travel partners and properties as well as the available hotel supply on our platform. We believe providing consumers tools to discover, research, price shop and book a comprehensive selection of accommodations helps increase brand awareness and brand loyalty and, over time, can result in deeper consumer engagement, more qualified leads delivered to travel partners and greater monetization on our platform.

We seek to monetize our influence through hotel-related product improvements, supply and marketing efforts and customer advertising opportunities. Historically, we have generated a significant amount of hotel shoppers from search engines, such as Google. A hotel shopper is a visitor to our platform that views either a listing of hotels in a city or a specific hotel page. Our key ongoing objective related to traffic acquisition is to attract or acquire hotel shoppers at or above our desired marketing return on investment targets. Over the long-term, we are focused on driving a greater percentage of our traffic from direct traffic sources rather than search engines, which comes with little to no traffic acquisition costs.

As noted in the “COVID-19” discussion above, easing of travel restrictions across the world, rising vaccination rates, and an increase in consumer travel demand drove improved financial results during 2021, as Hotel, Media & Platform revenue increased by 52% during the year ended December 31, 2021, when compared to the same period in 2020, despite the impact from the rise of the Delta variant late in the third quarter of 2021 and then the emergence of the Omicron variant late in the fourth quarter of 2021. Tripadvisor-branded hotels revenue increased 55% during the year ended December 31, 2021, when compared to the same period in 2020, primarily driven by our hotel auction revenue, which reached approximately 58% of 2019’s comparable period, an increase from 32% in 2020 of 2019’s comparable period. The Company saw particular strength in recovery of domestic consumer travel, most notably in the U.S., whereas international travel and, in particular, inter-continental travel, has been slower to recover. Our U.S. hotel auction revenue during the year ended December 31, 2021, reached nearly 85% of 2019’s comparable period on strong consumer travel demand, and improved sequentially during the first three quarters of 2021, when compared as a percentage to 2019's comparable periods, while declining in the fourth quarter of 2021 again due to the emergence of the Omicron variant. In addition, our U.S. hotel auction CPC rates regained 2019 levels in early May 2021 and remained above 2019 levels through December 2021, demonstrating strong travel partner engagement on our platform as consumer travel demand recovers in the U.S. Although slower to recover, hotel auction revenue in Europe and the rest of the world also showed improvement during 2021, however, as with the U.S., Europe was also negatively impacted by the emergence of the Omicron variant late in the fourth quarter of 2021. As a result of these overall positive trends noted above, we increased our performance marketing investment throughout 2021 in correlation with the increase in consumer travel demand and a more favorable hotel auction environment.

While slower to recover than Tripadvisor-branded hotels revenue, our display and platform revenue increased by 41% during the year ended December 31, 2021, when compared to the same period in 2020. In addition, and by means of also showing a comparison to a pre-COVID-19 timeframe, Tripadvisor-branded display and platform revenue improved when compared to the comparable period in 2020, while reaching approximately 60% of 2019’s comparable period in 2021 and also improved sequentially during the first three quarters of 2021 when compared to 2019’s comparable periods, while declining modestly in the fourth quarter of 2021, when compared as a percentage to the 2019 comparable period, due to the emergence of the Omicron variant. This overall improvement for 2021 was primarily driven by an increase in marketing spend from our advertisers in correlation with increasing consumer travel demand, as discussed above.

Over the long-term, we believe that improving our offerings to deepen consumer engagement on our platform will enable us to more effectively monetize our influence. For example, in Tripadvisor-branded display and platform revenue, we enable travel partners to amplify their brand, generate brand impressions, and potentially drive qualified leads and bookings for their businesses. Historically, we have limited both the type and number of display-based advertising opportunities we make available to travel partners, particularly on mobile phone, which, in turn, has limited display-based advertising revenue growth. However, we continue to work on initiatives to better leverage our audience, content, data, travel influence and platform breadth to open up new media advertising opportunities through a more modern, high-powered advertising suite spanning native, video and programmatic solutions. We have broadened our solution to a larger set of advertising travel endemic and non-travel endemic advertising partners, including industries such as entertainment, spirits, and finance. On the consumer side, we are focused on making Tripadvisor membership more valuable for consumers. As an example, during 2021, we launched Tripadvisor Plus, an annual subscription-based membership that offers financial incentives, benefits and perks to members who book hotels and experiences on our platform.

As discussed above, the Company initiated cost reduction measures in response to the COVID-19 pandemic in 2020, the majority of which were related to personnel and overhead costs and brand advertising, or television advertising, for this segment. During 2021, we maintained the majority of these cost savings in this segment, however, as noted above, the Company increased its performance marketing spend during the year. Relative strength in CPC pricing allowed us to increase spend in marketing channels at a profitable ROAS (return on ad spend), while our free traffic, or SEO traffic, has been slower to recover.

These efforts demonstrate our continued focus on increasing the quality of customer engagement on our platform, including driving membership growth, increasing personalization, and innovating our mobile app experience. We believe delivering – and improving upon – a great experience for users will encourage more users to use our services more frequently, increase member growth and member engagement, and drive loyalty to our brand and services. In turn, we believe this makes our platform more attractive for travel partners, and can result in increased monetization over time for us and our travel partners.

Experiences & Dining Segment

Our Experiences & Dining offerings contribute to the comprehensive user experience we deliver, which we believe helps to increase awareness of, loyalty to, and engagement with our products, drive more bookings to Experiences & Dining travel partners and generate greater revenue and increased profitability on our platform. Given the significant market opportunities in these large categories, we expect to continue to invest in building these offerings to drive consumer engagement, bookings and revenue growth for the long-term. Since the first quarter of 2020, this segment's revenue has been negatively and materially impacted at varying levels by a significant reduction in consumer demand due to the COVID-19 pandemic, which has reduced consumer willingness to research, purchase, and consume travel activities. This negative impact has also been driven by a wide variety of government-instituted actions and restrictions around the globe aimed at limiting the spread of the virus, all of which have impacted consumer access to experience offerings and restaurants. For example, during the first quarter of 2021, restaurants in most of the European countries in which our Dining business operates were ordered to remain closed.

However, during most of 2021, our Experiences & Dining segment's financial results improved significantly, as revenue in this segment increased by 65% during the year ended December 31, 2021, when compared to the same period in 2020, driven by our Experiences offering, as a result of the growing travel demand recovery driven by vaccine progress and various government restrictions being gradually lifted. By means of showing a comparison to a pre-COVID-19 timeframe, during the fourth quarter of 2021, our Experiences & Dining segment revenue reached approximately 90% of the fourth quarter of 2019 revenue, an increase from 81% of the third quarter of 2019 revenue in the third quarter of 2021, despite the impact of the Delta and Omicron variants. In addition, our Experiences & Dining segment revenue during the year ended December 31, 2021, was 67% of 2019's comparable period, an increase from 40% of 2019's comparable period during the year ended December 31, 2020.

During the year ended December 31, 2021, our Experiences revenue grew over 230%, when compared to the same period in 2020, and reached 64% of 2019's comparable period revenue, primarily driven by our Viator point of sale business. As a result of strong consumer demand in our Viator business with the growing travel demand recovery during 2021, we significantly increased investments in performance marketing channels in order to capture additional market share while maintaining a positive return on investment measured over the projected lifetime of a customer. In Dining, we saw a notable recovery since mid-May 2021, as restaurants in most European countries in which TheFork operates began reopening for in-restaurant dining. However, late in the fourth quarter of 2021, Omicron-related restrictions and related impact to consumer demand within Europe again began to impact Dining. Overall, Dining revenue during the year ended December 31, 2021, decreased by 5%, when compared to the same period in 2020, primarily driven by the impact of COVID-19, as restaurants in most of the European countries in which our Dining business operates were ordered to remain closed during the first quarter of 2021, while Dining revenue during the final three quarters of 2021 exceeded the total from the comparable quarters for 2020 by approximately 29%. By means of showing a comparison to a pre-COVID-19 timeframe, Dining revenue during the year ended December 31, 2021 reached 74% of 2019's comparable period.

As discussed above, the Company initiated cost reduction measures in response to the COVID-19 pandemic during 2020, the majority of which was related to personnel and overhead costs and brand advertising in this segment. During 2021, we maintained the majority of cost savings in this segment, however, as noted above, the Company significantly increased its performance marketing spend during the year.

During 2021, we have explored new initiatives to delight and engage consumers. For example, we improved our site navigation, recommendations, sort orders, quality of our experience products, mobile apps, and offered new consumer payment options, as new customer acquisition remains top priority during the growing travel recovery. For operators, we launched a new advertising program, Viator Accelerate, which is aimed at helping operators increase their visibility on the platform through targeted advertising, ultimately with the goal of increasing bookings and reach.

Other

Other is a combination of our Rentals, Flights & Car, and Cruise offerings and is not considered a reportable segment. Other revenue continues to experience the ongoing negative impact of COVID-19, particularly in our Flights and Cruise offerings, and was also negatively impacted by the sale of our SmarterTravel business during the second quarter of 2020. We continue to operate these businesses opportunistically as they complement our overall strategic objectives to deliver more value to consumers and travel partners.

Consolidated Results of Operations

A discussion regarding our financial condition and results of operations for fiscal year 2021 compared to fiscal year 2020 is presented below. A discussion regarding our financial condition and results of operations for fiscal year 2020 compared to fiscal year 2019 can be found in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 19, 2021.

Results of Operations
Selected Financial Data
(in millions, except percentages)

	Year ended December 31,			% Change	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Revenue	$ 902	$ 604	$ 1,560	49%	(61)%
Costs and expenses:					
Cost of revenue	74	55	94	35%	(41)%
Selling and marketing	469	316	672	48%	(53)%
Technology and content	212	220	293	(4)%	(25)%
General and administrative	167	173	187	(3)%	(7)%
Depreciation and amortization	111	125	126	(11)%	(1)%
Impairment of goodwill	—	3	—	n.m.	n.m.
Restructuring and other related reorganization costs	—	41	1	n.m.	n.m.
Total costs and expenses:	1,033	933	1,373	11%	(32)%
Operating income (loss)	(131)	(329)	187	(60)%	n.m.
Other income (expense):					
Interest expense	(45)	(35)	(7)	29%	400%
Interest income	1	3	17	(67)%	(82)%
Other income (expense), net	(10)	(8)	(3)	25%	167%
Total other income (expense), net	(54)	(40)	7	35%	n.m.
Income (loss) before income taxes	(185)	(369)	194	(50)%	n.m.
(Provision) benefit for income taxes	37	80	(68)	(54)%	n.m.
Net income (loss)	$ (148)	$ (289)	$ 126	(49)%	n.m.
Other financial data:					
Adjusted EBITDA (1)	$ 100	$ (51)	$ 438	n.m.	n.m.

n.m. = *not meaningful*
(1) See "Adjusted EBITDA" discussion below for more information.

Revenue and Segment Information

	Year ended December 31,			% Change	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Revenue by Segment:		(in millions)			
Hotels, Media & Platform	$ 549	$ 361	$ 939	52%	(62)%
Experiences & Dining	307	186	456	65%	(59)%
Other	46	57	165	(19)%	(65)%
Total revenue	$ 902	$ 604	$ 1,560	49%	(61)%
Adjusted EBITDA by Segment:					
Hotels, Media & Platform	$ 111	$ 13	$ 378	754%	(97)%
Experiences & Dining	(36)	(79)	5	(54)%	n.m.
Other	25	15	55	67%	(73)%
Total Adjusted EBITDA	$ 100	$ (51)	$ 438	n.m.	n.m.
Adjusted EBITDA Margin by Segment (1):					
Hotels, Media & Platform	20%	4%	40%		
Experiences & Dining	(12%)	(42%)	1%		
Other	54%	26%	33%		

n.m. = *not meaningful*

(1) "Adjusted EBITDA Margin by Segment" is defined as Adjusted EBITDA by segment divided by revenue by segment.

Hotels, Media & Platform Segment

Hotels, Media & Platform segment revenue increased by $188 million during the year ended December 31, 2021, when compared to the same period in 2020, primarily due to increased hotel auction revenue, particularly in the U.S., and, to a lesser extent, increased hotel auction revenue in Europe, due to the impact of growing consumer travel demand and increasing travel industry recovery on our business, as discussed above.

Adjusted EBITDA in our Hotels, Media & Platform segment increased $98 million, during the year ended December 31, 2021 when compared to the same period in 2020. This was primarily due to an increase in revenue as noted above, and, to a lesser extent, a reduction in personnel costs as a result of workforce reductions related to our cost-reduction measures during 2020 in response to COVID-19, partially offset by an increase in direct selling and marketing expenses related to search engine marketing, or SEM, and other online paid traffic acquisition costs in response to increasing consumer travel demand as travel restrictions ease, vaccination rates increase, and the travel industry recovers, and, to a lesser extent, an increase in personnel and overhead costs to help support business and key staff retention growth during the growing travel demand recovery.

The following is a detailed discussion of the revenue sources within our Hotels, Media & Platform segment:

	Year ended December 31,			% Change	
	2021	2020	2019	2021 vs 2020	2020 vs 2019
Hotels, Media & Platform:		(in millions)			
Tripadvisor-branded hotels	$ 452	$ 292	$ 779	55%	(63%)
Tripadvisor-branded display and platform	97	69	160	41%	(57%)
Total Hotels, Media & Platform revenue	$ 549	$ 361	$ 939	52%	(62%)

Tripadvisor-branded Hotels Revenue

Tripadvisor-branded hotels revenue primarily includes hotel auction revenue and, to a lesser extent, hotel B2B revenue, which includes click-based revenue generated from hotel sponsored placement advertising that enable hotels to enhance their visibility on Tripadvisor hotel pages, and subscription-based advertising services that we offer to travel partners. For the years ended December 31, 2021, 2020, and 2019, 82%, 81%, and 83%, respectively, of our total Hotels, Media & Platform segment revenue was derived from Tripadvisor-branded hotels revenue. Tripadvisor-branded hotels revenue increased $160 million or 55% during the year ended December 31, 2021 when compared to the same period in 2020. This increase was primarily driven by our hotel auction revenue, particularly in the U.S., and, to a lesser extent, an increase in hotel auction revenue in Europe, despite the impact from the Delta variant late in the third quarter of 2021 and the emergence of the Omicron variant late in the fourth quarter of 2021, due to rising consumer travel demand and travel industry recovery, given rising vaccination rates and easing of government travel and leisure restrictions. As consumer travel demand continued to increase during 2021, the Company saw continued improvement in hotel auction monetization, as CPC rates during the second half of 2021 exceeded parity of 2019's comparable period, which enabled increased efficient marketing investment on performance channels, enhancing our 2021 hotel auction revenue growth. See "*Business Trends*" above for further discussion.

Tripadvisor-branded Display and Platform Revenue

For the years ended December 31, 2021, 2020, and 2019, 18%, 19%, and 17%, respectively, of our total Hotels, Media & Platform segment revenue was derived from Tripadvisor-branded display and platform revenue, which consists of revenue from display-based advertising across our platform. Tripadvisor-branded display and platform revenue increased $28 million or 41% during the year ended December 31, 2021, when compared to the same period in 2020, primarily driven by an increase in marketing spend from our advertisers in correlation with increasing consumer travel demand, as discussed above.

Experiences & Dining Segment

For the years ended December 31, 2021, 2020, and 2019, our Experiences & Dining segment revenue accounted for 34%, 31% and 29%, respectively, of total consolidated revenue. Experiences & Dining segment revenue increased by $121 million or 65% during the year ended December 31, 2021, when compared to the same period in 2020, driven by Experiences revenue, as discussed above under "Business Trends."

This segment's revenue has been negatively and materially impacted at varying levels by a significant reduction in consumer demand due to the COVID-19 pandemic at varying levels during 2020 and 2021. However, during 2021, our Experiences & Dining segment's financial results significantly improved as a result of the growing consumer travel demand recovery, albeit unevenly, driven by vaccine progress and various government restrictions being gradually lifted during the same time period, which is discussed further under "*Business Trends*" above.

Experiences & Dining segment Adjusted EBITDA loss decreased by $43 million during the year ended December 31, 2021 when compared to the same period in 2020, primarily due to an increase in revenue as noted above, a reduction in personnel costs as a result of workforce reductions related to our cost-reduction measures during 2020 in response to COVID-19, and, to a lesser extent, lower television advertising costs, office lease costs, and bad debt expense, partially offset by increased selling and marketing expenses related to SEM and other online paid traffic acquisition costs in response to increased consumer demand for experiences and restaurants as part of the growing consumer travel demand recovery and, to a lesser extent, an increase in personnel and overhead costs to help support business growth and key staff retention during the growing travel demand recovery.

Other

Other revenue, which includes Rentals revenue, in addition to primarily click-based advertising and display-based advertising revenue from our Flights & Cars, and Cruises offerings on Tripadvisor websites and mobile apps, decreased by $11 million or 19% during the year ended December 31, 2021, when compared to the same period in 2020, primarily due to the continued negative impact of COVID-19 on these offerings, and the sale of our SmarterTravel business during the second quarter of 2020.

Adjusted EBITDA in Other increased $10 million or 67% during the year ended December 31, 2021, when compared to the same period in 2020, was primarily due to reduction in personnel costs as a result of workforce reductions related to our cost-reduction measures during the first half of 2020 in response to COVID-19 and lower non-income tax costs, partially offset by a decrease in revenue, as noted above.

Consolidated Expenses

Cost of Revenue

Cost of revenue consists of expenses that are directly related or closely correlated to revenue generation, including direct costs, such as credit card and other booking transaction payment fees, data center costs, costs associated with prepaid tour tickets, ad serving fees, flight search fees, and other transaction costs. In addition, cost of revenue includes personnel and overhead expenses, including salaries, benefits, stock-based compensation and bonuses for certain customer support personnel who are directly involved in revenue generation.

	Year ended December 31,			% Change	
	2021	2020 (in millions)	2019	2021 vs 2020	2020 vs 2019
Direct costs	$ 50	$ 34	$ 71	47%	(52%)
Personnel and overhead	24	21	23	14%	(9)%
Total cost of revenue	$ 74	$ 55	$ 94	35%	(41%)
% of revenue	8.2%	9.1%	6.0%		

Cost of revenue increased $19 million during the year ended December 31, 2021 when compared to the same period in 2020, primarily due to increased direct costs from credit card payment and other revenue-related transaction costs in our Experiences & Dining segment in correlation with an increase in revenue.

Selling and Marketing

Selling and marketing expenses consist of direct costs, including traffic generation costs from SEM and other online traffic acquisition costs, syndication costs and affiliate marketing commissions, social media costs, brand advertising (including television and other offline advertising), promotions and public relations. In addition, our selling and marketing expenses consist of indirect costs such as personnel and overhead expenses, including salaries, commissions, benefits, stock-based compensation, and bonuses for sales, sales support, customer support and marketing employees.

	Year ended December 31,			% Change	
	2021	2020 (in millions)	2019	2021 vs 2020	2020 vs 2019
Direct costs	$ 294	$ 128	$ 433	130%	(70%)
Personnel and overhead	175	188	239	(7%)	(21%)
Total selling and marketing	$ 469	$ 316	$ 672	48%	(53%)
% of revenue	52.0%	52.3%	43.1%		

Direct selling and marketing costs increased $166 million during the year ended December 31, 2021 when compared to the same period in 2020, primarily due to an increase in our SEM and other online traffic acquisition spend in our Hotels, Media & Platform and Experiences & Dining segments in response to increasing consumer travel demand as travel activity restrictions ease and the travel industry recovers.

Personnel and overhead costs decreased $13 million during the year ended December 31, 2021 when compared to the same period in 2020, primarily as a result of a reduction in headcount related to our cost-reduction measures across our business in response to COVID-19 implemented during the first half of 2020, partially offset by increased personnel and overhead related to performance bonuses and additional headcount to help support business growth and key staff retention during the growing travel demand recovery during 2021.

Technology and Content

Technology and content expenses consist primarily of personnel and overhead expenses, including salaries and benefits, stock-based compensation expense, and bonuses for salaried employees and contractors engaged in the design, development, testing, content support, and maintenance of our platform. Other costs include licensing, maintenance expense, computer supplies, telecom costs, content translation and localization costs, and consulting costs.

	Year ended December 31,			% Change	
	2021	2020 (in millions)	2019	2021 vs 2020	2020 vs 2019
Personnel and overhead	$ 188	$ 194	$ 260	(3%)	(25%)
Other	24	26	33	(8%)	(21%)
Total technology and content	$ 212	$ 220	$ 293	(4%)	(25%)
% of revenue	23.5%	36.4%	18.8%		

Technology and content costs decreased $8 million during the year ended December 31, 2021 when compared to the same period in 2020, primarily due to decreased personnel and overhead costs across our business as a result of a reduction in headcount driven by cost-reduction measures across our business in response to COVID-19 implemented during the first half of 2020, partially offset by an increase in performance bonuses, contingent staff costs, and stock-based compensation expense to help support business growth and key staff retention during the growing travel demand recovery during 2021.

General and Administrative

General and administrative expenses consist primarily of personnel and related overhead costs, including personnel engaged in leadership, finance, legal, and human resources, as well as stock-based compensation expense for those same personnel. General and administrative costs also include professional service fees and other fees including audit, legal, tax and accounting, and other costs including bad debt expense, non-income taxes, such as sales, use and other non-income related taxes.

	Year ended December 31,			% Change	
	2021	2020 (in millions)	2019	2021 vs 2020	2020 vs 2019
Personnel and overhead	$ 132	$ 119	$ 135	11%	(12%)
Professional service fees and other	35	54	52	(35%)	4%
Total general and administrative	$ 167	$ 173	$ 187	(3%)	(7%)
% of revenue	18.5%	28.6%	12.0%		

General and administrative costs decreased $6 million during the year ended December 31, 2021 when compared to the same period in 2020. Personnel and overhead costs increased $13 million during the year ended December 31, 2021, when compared to the same period in 2020, primarily driven by an increase in performance bonuses, recruiting costs, and stock-based compensation expense to help support business growth and key staff retention during the growing consumer travel demand recovery, partially offset by decreased personnel and overhead costs as a result of a reduction in headcount driven by cost-reduction measures across our business in response to COVID-19 implemented during the first half of 2020. Professional service fees and other decreased $19 million during the year ended December 31, 2021, when compared to the same period in 2020, primarily due to a decrease in bad debt expense of $14 million due to improved collection trends as the travel industry recovers and to a lesser extent a decrease in third-party professional service costs related to cost-reduction measures and other non-income related taxes costs.

Depreciation and amortization

Depreciation expense consists of depreciation on computer equipment, leasehold improvements, furniture, office equipment and other assets, and amortization of capitalized website development costs and right-of-use ("ROU") assets related to our finance lease. Amortization consists of the amortization of definite-lived intangibles purchased in business acquisitions.

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Depreciation	$ 91	$ 99	$ 93
Amortization of intangible assets	20	26	33
Total depreciation and amortization	$ 111	$ 125	$ 126
% of revenue	12.3%	20.7%	8.1%

Depreciation and amortization decreased $14 million during the year ended December 31, 2021 when compared to the same period in 2020, primarily due to the completion of amortization related to certain intangible assets from business acquisitions in previous years and lower depreciation related to computer equipment, leasehold improvements, furniture and capitalized website development costs driven by a reduction in headcount related to our cost-reduction measures across our business in response to COVID-19 implemented during the first half of 2020.

Impairment of Goodwill

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Impairment of goodwill	$ —	$ 3	$ —
% of revenue	0.0%	0.5%	0.0%

The Company recorded a goodwill impairment charge of $3 million related to our Tripadvisor China reporting unit in the third quarter of 2020. Refer to "Note 8: *Goodwill and Intangible Assets, Net"* in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

Restructuring and other related reorganization costs

Restructuring and other related reorganization costs consist primarily of employee severance and related benefits.

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Restructuring and other related reorganization costs	$ —	$ 41	$ 1
% of revenue	0.0%	6.8%	0.0%

The Company incurred restructuring and other related reorganization costs of $41 million during the year ended December 31, 2020, primarily due to actions taken by the Company in response to COVID-19.

Interest Expense

Interest expense primarily consists of interest incurred, commitment fees, and debt issuance cost amortization related to our Credit Facility, 2025 Senior Notes, 2026 Senior Notes, as well as interest on our finance lease.

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Interest expense	$ (45)	$ (35)	$ (7)

Interest expense increased $10 million during the year ended December 31, 2021 when compared to the same period in 2020, primarily due to the issuance of our 2025 Senior Notes in July 2020, partially offset by lower interest expense on our Credit Facility as the Company did not borrow from this facility during 2021. Refer to "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

Interest Income

Interest income primarily consists of interest earned from bank deposits available on demand, money market funds, overnight demand deposits and marketable securities, including amortization of discounts and premiums on our marketable securities.

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Interest income	$ 1	$ 3	$ 17

Interest income decreased $2 million during the year ended December 31, 2021, when compared to the same period in 2020, primarily due to a reduction in average interest rates earned on our investments during 2021.

Other Income (Expense), Net

Other income (expense), net generally consists of net foreign exchange gains and losses, forward contract gains and losses, earnings/(losses) from equity method investments, gain/(loss) and impairments on non-marketable investments, gain/loss on sale/disposal of businesses, and other non-operating income (expenses).

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Other income (expense), net	$ (10)	$ (8)	$ (3)

Other expense, net increased $2 million during the year ended December 31, 2021 when compared to the same period in 2020, primarily due to increased foreign currency transaction losses as a result of the fluctuation of foreign exchange rates during 2021 and a net increase in allowance for credit losses of $2 million, when compared to 2020, on a long-term note receivable, partially offset by a loss on sale of business of $6 million during 2020, which did not reoccur in 2021. Refer to "Note 18: *Other Income (Expense), Net*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for additional information.

(Provision) Benefit for Income Taxes

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
(Provision) benefit for income taxes	$ 37	$ 80	$ (68)
Effective tax rate	20.0%	21.7%	35.1%

We had an income tax benefit of $37 million for the year ended December 31, 2021. The decrease in our income tax benefit during the year ended December 31, 2021 when compared to the same period in 2020, was primarily due to greater pretax losses incurred the year ended December 31, 2020 than 2021, and an income tax benefit of $23 million during the year ended December 31, 2020 from the tax rate differential in tax years applicable to U.S. loss carryforwards that became eligible for carryback under the CARES Act that did not reoccur in 2021. This was partially offset by an increase in the recognition of stock-based compensation windfalls related to the increase in the Company's common stock price during the year ended December 31, 2021 and a partial release of a valuation allowance on our U.K. subsidiary's interest carryforward deferred tax asset. Refer to "Note 12: *Income Taxes*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

Net income (loss)

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Net income (loss)	$ (148)	$ (289)	$ 126
Net income (loss) margin	(16.4%)	(47.8%)	8.1%

Net loss decreased $141 million during the year ended December 31, 2021, when compared to the same period in 2020, primarily due to an increase in revenue, as described above in "*Revenue and Segment Information*", restructuring costs incurred of $41 million during the year ended December 31, 2020, which did not reoccur during the year ended December 31, 2021, and decreased personnel and overhead costs across our business as a result of a reduction in headcount driven by cost-reduction measures across our business in response to COVID-19 implemented during the year ended December 31, 2020, partially offset largely by an increase in selling and marketing expenses in response to increasing consumer travel demand as travel activity restrictions ease and the travel industry recovers and, to a lesser extent, an increase in personnel and overhead costs during the year ended December 31, 2021 to help support business growth and key staff retention during the growing consumer travel demand recovery, all of which is described above under "*Consolidated Expenses.*"

Adjusted EBITDA

To provide investors with additional information regarding our financial results, we also disclose consolidated Adjusted EBITDA, which is a non-GAAP financial measure. A "non-GAAP financial measure" refers to a numerical measure of a company's historical or future financial performance, financial position, or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in such company's financial statements.

Adjusted EBITDA is also our segment profit measure and a key measure used by our management and board of directors to understand and evaluate the financial performance of our business and on which internal budgets and forecasts are based and approved. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons and better enables management and investors to compare financial results between periods as these costs may vary independent of ongoing core business performance. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. We define Adjusted EBITDA as net income (loss) plus: (1) (provision) benefit for income taxes; (2) other income (expense), net; (3) depreciation and amortization; (4) stock-based compensation and other stock-settled obligations; (5) goodwill, intangible asset, and long-lived asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) other non-recurring expenses and income.

Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results reported in accordance with GAAP. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income (loss) and our other GAAP results.

Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense, or cash requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA does not consider the potentially dilutive impact of stock-based compensation or other stock-settled obligations;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect certain income and expenses not directly tied to the ongoing core operations of our business, such as legal reserves and settlements, restructuring and other related reorganization costs;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Adjusted EBITDA is unaudited and does not conform to SEC Regulation S-X, and as a result such information may be presented differently in our future filings with the SEC; and
- other companies, including companies in our own industry, may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

The following table presents a reconciliation of Adjusted EBITDA to Net Income (Loss), the most directly comparable financial measure calculated and presented in accordance with GAAP, for the periods presented:

	Year ended December 31,		
	2021	**2020**	**2019**
		(in millions)	
Net income (loss)	**$ (148)**	**$ (289)**	**$ 126**
Add: (Benefit) provision for income taxes	(37)	(80)	68
Add: Other expense (income), net	54	40	(7)
Add: Restructuring and other related reorganization costs	—	41	1
Add: Impairment of goodwill	—	3	—
Add: Stock-based compensation	120	109	124
Add: Depreciation and amortization	111	125	126
Adjusted EBITDA	$ 100	$ (51)	$ 438

Liquidity and Capital Resources

For a discussion of our liquidity and capital resources as of and our cash flow activities for the fiscal year ended December 31, 2019, see Part II, Item 7. *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 19, 2021.

Our principal source of liquidity is cash flow generated from operations and our existing cash and cash equivalents balance. Our liquidity needs can also be met through drawdowns under our Credit Facility. As of December 31, 2021 and 2020, we had $723 million and $418 million, respectively, of cash and cash equivalents, and $497 million of available borrowing capacity under our Credit Facility as of December 31, 2021. As of December 31, 2021, approximately $151 million of our cash and cash equivalents were held by our international subsidiaries outside of the U.S., of which approximately 50% was located in the U.K. As of December 31, 2021, the significant majority of our cash was denominated in U.S. dollars. As of December 31, 2021, the Company had $845 million in long-term debt, as a result of the issuance of our 2025 Senior Notes in July 2020 and 2026 Senior Notes in March 2021, as discussed below.

As of December 31, 2021, we had $427 million of cumulative undistributed earnings in foreign subsidiaries which were no longer considered to be indefinitely reinvested. As of December 31, 2021, we maintained a deferred income tax liability on our consolidated balance sheet, which was not material, for the U.S. federal and state income tax and foreign withholding tax liabilities on the cumulative undistributed foreign earnings that we no longer consider indefinitely reinvested. Refer to "Note 12: *Income Taxes*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

Credit Facility

As of December 31, 2021, we are party to our Credit Facility, which, among other things, provides for a $500 million revolving credit facility with a maturity date of May 12, 2024.

The Credit Facility requires us to maintain a maximum leverage ratio and contains certain customary affirmative covenants and events of default, including a change of control. Borrowings under the Credit Facility generally bear interest, at the Company's option, at a rate per annum equal to either (i) the Eurocurrency Borrowing rate, or the adjusted LIBO rate for the interest period in effect for such borrowing; plus an applicable margin ranging from 1.25% to 2.00% ("Eurocurrency Spread"), based on the Company's leverage ratio; or (ii) the Alternate Base Rate ("ABR") Borrowing, which is the greatest of (a) the Prime Rate in effect on such day, (b) the New York Fed Bank Rate in effect on such day plus 1/2 of 1.00% per annum and (c) the Adjusted LIBO Rate (or LIBO rate multiplied by the Statutory Reserve Rate) for an interest period of one month plus 1.00%; in addition to an applicable margin ranging from 0.25% to 1.00% ("ABR Spread"), based on the Company's leverage ratio.

However, we amended the Credit Facility in May 2020 and December 2020, to among other things, suspend the leverage ratio covenant for quarterly testing of compliance beginning in the second quarter of 2020, replacing it with a minimum liquidity covenant through June 30, 2021 (requiring the Company to maintain $150 million of unrestricted cash, cash equivalent and short-term investments less deferred merchant payables plus available revolver capacity), until the earlier of (a) the first day after June 30, 2021 through maturity on which borrowings and other revolving credit utilizations under the revolving commitments exceed $200 million, and (b) the election of the Company, at which time the leverage ratio covenant will be reinstated (the "Leverage Covenant Holiday").

The Company remained in the Leverage Covenant Holiday as of December 31, 2021. During the Leverage Covenant Holiday, any borrowings under the Credit Facility bear interest at LIBOR plus a 2.25% margin with a LIBOR floor of 1% per annum. We are also required to pay a quarterly commitment fee, at an applicable rate of 0.5%, on the daily unused portion of the revolving credit facility for each fiscal quarter while the Leverage Covenant Holiday is in place. The Credit Facility includes restrictions on the Company's ability to make certain payments and distributions, including share repurchases and dividends.

As of December 31, 2021 and 2020, respectively, we had no outstanding borrowings and were in compliance with our covenant requirements in effect under the Credit Facility. While there can be no assurance that we will be able to meet the leverage ratio covenant after the Leverage Covenant Holiday ceases, based on our current projections, we do not believe there is a material risk we will not remain in compliance throughout the next twelve months.

During the first quarter of 2020, the Company borrowed $700 million under the Credit Facility. These funds were drawn down as a precautionary measure to reinforce our liquidity position and preserve financial flexibility in light of uncertainty in the global markets resulting from the COVID-19 pandemic. The Company repaid those borrowings in full during the third quarter of 2020 with proceeds received from the 2025 Senior Notes, as discussed below.

2025 Senior Notes

In July 2020, the Company completed the sale of $500 million in 2025 Senior Notes. The 2025 Senior Notes provide, among other things, that interest, at an interest rate of 7.0% per annum, will be payable on January 15 and July 15 of each year, which began on January 15, 2021, until their maturity on July 15, 2025. The Company used the proceeds from the 2025 Senior Notes, or $490 million, net of approximately $10 million in debt issuance costs, to repay a portion of our outstanding borrowings under our Credit Facility, as noted above. The 2025 Senior Notes are senior unsecured obligations of the Company and are guaranteed by certain of the Company's domestic subsidiaries.

2026 Senior Notes

In March 2021, the Company completed the sale of $345 million of our 2026 Senior Notes. The 2026 Senior Notes provide, among other things, that interest, at an interest rate of 0.25% per annum, will be payable on April 1 and October 1 of each year, which began on October 1, 2021, until their maturity on April 1, 2026. Concurrently, the Company used a portion of the proceeds from the 2026 Senior Notes to enter into privately negotiated capped call transactions with certain of the initial purchasers of the 2026 Senior Notes and/or their respective affiliates and/or other financial institutions at a cost of approximately $35 million. The Company intends to use the remainder of the proceeds from this offering for general corporate purposes, which may include repayment of debt, including the partial redemption and/or purchase of the 2025 Senior Notes prior to maturity. The 2026 Senior Notes are senior unsecured obligations of the Company and are guaranteed by certain of the Company's domestic subsidiaries.

The 2025 Senior Notes and 2026 Senior Notes are not registered securities and there are currently no plans to register these notes as securities in the future. As a result, Rule 3-10 of Regulation S-X promulgated by the SEC is not applicable and no separate financial statements are required for the guarantor subsidiaries of these notes. We may from time to time repurchase our outstanding 2025 Senior Notes or 2026 Senior Notes through tender offers, open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

For further information on our Credit Facility, 2025 Senior Notes, and 2026 Senior Notes, refer to "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K.

Significant uses of capital and other liquidity matters

During the years ended December 31, 2020 and 2019, we repurchased 4,707,450 and 2,059,846 shares, respectively, of the Company's outstanding common stock at an aggregate cost of $115 million and $60 million, respectively, under our share repurchase program. The Company did not repurchase any shares of outstanding common stock under the share repurchase program during 2021 and had $75 million remaining available to repurchase shares of our common stock as of December 31, 2021. The terms of our Credit Agreement were amended to limit the Company from share repurchases during the Leverage Covenant Holiday and the terms of the 2025 Indenture related to the 2025 Senior Notes also impose certain limitations and restrictions on share repurchases.

Our business typically experiences seasonal fluctuations that affect the timing of our annual cash flows during the year related to working capital. In our Experiences business and our Rentals free-to-list model, we receive cash from travelers at the time of booking or prior to the occurrence of an experience or rental, and we record these amounts, net of commissions, on our consolidated balance sheet as deferred merchant payables. We pay the operator, or the experience supplier and/or property rental owners, after the travelers' use. Therefore, we generally receive cash from the traveler prior to paying the operator and this operating cycle represents a source or use of cash to us. During the first half of the year Experiences and Rentals bookings typically exceed the amount of completed experiences and rental stays, resulting in higher cash flow related to working capital, while during the second half of the year, particularly in the third quarter, this pattern reverses and cash flows from these transactions are typically negative. However, this seasonal trend was negatively and materially impacted by COVID-19's impact on our business throughout the year of 2020, albeit unevenly, primarily reflecting the decline in consumer demand for our products and increased cancellations of reservations. Although consumer demand, traveler hotel and rental stays, and travel activities and experiences taken generally remains materially lower than historic levels, these trends improved during 2021, resulting in increased revenues, working capital and operating cash flow more akin to typical and historical seasonality trends. However, the ultimate extent and longevity of the COVID-19 pandemic, including new or existing variants (i.e. Delta and/or Omicron), and its impact on travel, regional and global markets, and overall economic activity in currently affected countries and/or globally remains unknown and impossible to predict with certainty, as such, the impacts on our business, including our operating cash flows, while generally improving, remain uncertain at this point in time. Other factors may also impact typical seasonal fluctuations, which include further significant shifts in our business mix or adverse economic conditions unrelated to COVID-19 that could result in future seasonal patterns that are different from historical trends. In addition, new or different payment options offered to our customers could impact the timing of cash flows. For example, during the third quarter of 2019 we introduced a new payment option, "Reserve Now, Pay Later" which allows our travelers the option to reserve certain experiences and defer payment until a date no later than two days before the experience date, which although used in a minority of bookings through 2021, may affect the timing of our future cash flows and working capital.

As discussed in "Note 12: *Income Taxes*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K, we have received Notices of Proposed Adjustments issued by the IRS for tax years 2009 through 2016, as of December 31, 2021. These proposed adjustments are related to certain transfer pricing arrangements with our foreign subsidiaries, and would result in an increase to our worldwide income tax expense in an estimated range of $95 million to $105 million, exclusive of interest expense, at the close of the audit if the IRS prevails. In addition, we received from HM Revenue & Customs ("HMRC") in the U.K. an issue closure notice relating to adjustments for 2012 through 2016 tax years, as of December 31, 2021. These proposed adjustments are related to certain transfer pricing arrangements with our foreign subsidiaries and would result in an increase to our worldwide income tax expense in an estimated range of $45 million to $55 million, exclusive of interest expense, at the close of the audit if HMRC prevails. We disagree with the proposed adjustments and we intend to defend our positions through applicable administrative and, if necessary, judicial remedies. Although the ultimate timing for resolution of these matters is uncertain, any future payments would negatively impact our operating cash flows.

The CARES Act, enacted in March 2020, made tax law changes to provide financial relief to companies as a result of the business impacts of COVID-19. Key income tax provisions of the CARES Act include changes in net operating loss ("NOL") carryback and carryforward rules, increase of the net interest expense deduction limit, and immediate write-off of qualified improvement property. The CARES Act allowed us to carryback our U.S. federal NOL incurred in 2020, generating an expected tax refund of $48 million, which is reported in income taxes receivable on our consolidated balance sheet as of December 31, 2021. This tax refund is expected to be received during 2022.

We believe that our available cash and cash equivalents will be sufficient to fund our foreseeable working capital requirements, capital expenditures, existing business growth initiatives, debt and interest obligations, lease commitments, and other financial commitments through at least the next twelve months. Our future capital requirements may also include capital needs for acquisitions and/or other expenditures in support of our business strategy, which may potentially reduce our cash balance and/or require us to borrow under our Credit Facility or to seek other financing alternatives.

In addition, our capital requirements may increase due to the continued impact of the COVID-19 pandemic, including new, if any, or existing variants (i.e. Delta and Omicron), which has resulted in reduced revenues and operating cash flows for the Company, and the extent and duration to which it may continue to impact the Company's business and the travel industry remains unclear. Given the continued uncertainty in the uneven market and economic conditions related to the COVID-19 pandemic, we will continue to evaluate the nature and extent of the impact to our liquidity and capital requirements, and therefore our capital structure.

Our cash flows from operating, investing and financing activities, as reflected in our consolidated statements of cash flows, are summarized in the following table:

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Net cash provided by (used in):			
Operating activities	$ 108	$ (194)	$ 424
Investing activities	(54)	(56)	(176)
Financing activities	263	341	(580)

During the year ended December 31, 2021, our primary use of cash was financing activities (including payment of withholding taxes on net share settlements of our equity awards of $44 million and purchase of Capped Calls of $35 million) and investing activities (including capital expenditures of $54 million). This use of cash was funded primarily with cash on hand, operating cash flow and financing activities, which includes $340 million of proceeds from the issuance of our 2026 Senior Notes, net of financing costs.

For the year ended December 31, 2021, net cash provided by operating activities increased by $302 million when compared to the same period in 2020, primarily due to a decrease in net losses of $141 million and an increase in working capital of $227 million, primarily driven by an increase in deferred merchant payables and deferred revenue reflecting the cash received from travelers due to an increase in experiences bookings which exceeded our payments to traveler suppliers, an increase in marketing cost accruals and a decrease in income tax payments, partially offset by an increase in accounts receivable across the business, all largely reflective of the increasing consumer demand for travel activities during 2021, in addition to timing of vendor payments and collection of receivables, as well as, and to a lesser extent, a decrease in non-cash items of $66 million which was primarily due to an increase in deferred income tax benefits and a decrease in bad debt expense.

For the year ended December 31, 2021, net cash used in investing activities decreased by $2 million when compared to the same period in 2020, as capital expenditures decreased slightly as part of cost-reduction measures across the business implemented during the first half of 2020 in response to COVID-19.

For the year ended December 31, 2021, net cash provided by financing activities decreased by $78 million when compared to the same period in 2020, primarily due to cash provided from the issuance of our 2025 Senior Notes in the third quarter of 2020 of $490 million, net of financing costs, partially offset by cash used to purchase shares of our common stock under our share repurchase program of $115 million during the year ended December 31, 2020, both which did not reoccur in 2021, as contrasted to proceeds received from the issuance of our 2026 Senior Notes of $340 million in the first quarter of 2021, net of financing costs, and cash received for stock option exercises of $8 million during the year ended December 31, 2021, which was partially offset by payments of $35 million for the Capped Calls in connection with our 2026 Senior Notes, which also occurred during the first quarter of 2021, and an increase in payment of withholding taxes on net share settlements of equity awards of $23 million during the year ended December 31, 2021.

The following table summarizes our current and long-term material cash requirements, both accrued and off-balance sheet, as of December 31, 2021:

		By Period			
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
			(in millions)		
2025 Senior Notes (1)	$ 500	$ —	$ —	$ 500	$ —
Expected interest payments on 2025 Senior Notes (2)	125	35	71	19	—
2026 Senior Notes (3)	345	—	—	345	—
Expected interest payments on 2026 Senior Notes (4)	4	1	2	1	—
Finance lease obligations (5)	86	9	18	20	39
Operating lease obligations (6)	52	23	24	5	—
Expected commitment fee payments on Credit Facility (7)	6	3	3	—	—
Purchase obligations (8)	45	18	24	2	1
Total (9)(10)	$ 1,163	$ 89	$ 142	$ 892	$ 40

(1) Represents outstanding principal on our 2025 Senior Notes due July 2025 and assumes that our existing debt is repaid at maturity. Refer to "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

(2) Expected interest payments on our 2025 Senior Notes are based on a fixed interest rate of 7.0%, as of December 31, 2021 and assumes that our existing debt is repaid at maturity. Refer to "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

(3) Represents outstanding principal on our 2026 Senior Notes due April 2026 and assumes that our existing debt is repaid at maturity. Refer to "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

(4) Expected interest payments on our 2026 Senior Notes are based on a fixed interest rate of 0.25%, as of December 31, 2021 and assumes that our existing debt is repaid at maturity. Refer to "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

(5) Estimated future lease payments for our Headquarters Lease in Needham, Massachusetts. Refer to "Note 7: *Leases*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

(6) Estimated future lease payments for our operating leases, primarily for office space, with non-cancelable lease terms. These amounts exclude expected rental income under non-cancelable subleases. Refer to "Note 7: *Leases*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

(7) Expected commitment fee payments are based on the daily unused portion of the Credit Facility, issued letters of credit, and the effective commitment fee rate as of December 31, 2021; however, these variables could change significantly in the future. Refer to "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information.

(8) Estimated purchase obligations that are fixed and determinable, primarily related to telecommunication and licensing contracts, with various expiration dates through approximately June 2029. These contracts have non-cancelable terms or are cancelable only upon payment of significant penalty. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

(9) Excluded from the table was \$177 million of unrecognized tax benefits, including interest, which is included in other long-term liabilities on our consolidated balance sheet as of December 31, 2021, for which we cannot make a reasonably reliable estimate of the amount and period of payment. Refer to "Note 12: *Income Taxes"* in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further discussion.

(10) Excluded from the table was \$3 million of undrawn standby letters of credit, primarily as security deposits for certain property leases as of December 31, 2021.

As of December 31, 2021, other than the items discussed above, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated by the SEC, that have, or are reasonably likely to have, a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Office Lease Commitments

As of December 31, 2021, we leased approximately 280,000 square feet of office space for our corporate headquarters in Needham, Massachusetts. Our Headquarters Lease, has an expiration date of December 2030, with an option to extend the lease term for two consecutive terms of five years each. We account for our Headquarters Lease as a finance lease as of December 31, 2021.

In addition to our Headquarters Lease, we also have contractual obligations in the form of operating leases for office space, in which we lease an aggregate of approximately 430,000 square feet, at approximately 35 other locations across North America, Europe, Asia Pacific and South America, in cities such as New York, London, Sydney, Barcelona, Buenos Aires, and Paris, primarily used for sales offices, subsidiary headquarters, and international management teams, pursuant to leases with various expiration dates, with the latest expiring in June 2027.

Contingencies

In the ordinary course of business, we are party to regulatory and legal matters, including threats thereof, arising out of or in connection with our operations. These matters may involve claims involving patent and other intellectual property rights (including privacy, alleged infringement of third-party intellectual property rights), tax matters (including value-added, excise, transient occupancy and accommodation taxes), regulatory compliance (including competition, consumer matters and data privacy), defamation and reputational claims. Periodically, we review the status of all significant outstanding matters to assess any potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred; and (ii) the amount of the loss can be reasonably estimated and is material, we record the estimated loss in our consolidated statements of operations. We provide disclosures in the notes to the consolidated financial statements for loss contingencies that do not meet both of these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the consolidated financial statements. We base accruals on the best information available at the time which can be highly subjective. Although occasional adverse decisions or settlements may occur, we do not believe that the final disposition of any of these matters will have a material adverse effect on our business. However, the final outcome of these matters could vary significantly from our estimates. Finally, there may be claims or actions pending or threatened against us of which we are currently not aware and the ultimate disposition of which could have a material adverse effect on us.

We are also under audit by the IRS and various other domestic and foreign tax authorities with regards to income tax and non-income tax matters. We have reserved for potential adjustments to our provision for income taxes that may result from examinations by, or any negotiated agreements with, these tax authorities. Although we believe our tax estimates are reasonable, the final determination of audits could be materially different from our historical income tax provisions and accruals. The results of an audit could have a material effect on our financial position, results of operations, or cash flows in the period for which that determination is made.

By virtue of consolidated income tax returns previously filed with Expedia, we are currently under an IRS audit for the 2009, 2010 and short-period 2011 tax years. We are separately under examination by the IRS for the short-period 2011, 2012 through 2016, and 2018 tax years, and have various ongoing audits for foreign and state income tax returns. These audits include questioning of the timing and the amount of income and deductions and the allocation of income among various tax jurisdictions. These examinations may lead to proposed or ordinary course adjustments to our taxes. We are no longer subject to tax examinations by tax authorities for years prior to 2009. During June 2021, we closed an employment tax audit by the IRS for the 2015 through 2017 tax years with no material assessments. As of December 31, 2021, no material assessments have resulted, except as noted below regarding our 2009, 2010, and 2011 IRS audit with Expedia and our 2012 through 2016 standalone IRS audit.

In January 2017 and April 2019, as part of the IRS audit of Expedia, we received Notices of Proposed Adjustment from the IRS for the 2009, 2010, and 2011 tax years. Subsequently, in September 2019, as part of Tripadvisor's standalone audit, we received Notices of Proposed Adjustment from the IRS for the 2012 and 2013 tax years, and in August 2020, we received Notices of Proposed Adjustments from the IRS for the 2014, 2015 and 2016 tax years. These proposed adjustments are related to certain transfer pricing arrangements with our foreign subsidiaries, and would result in an increase to our worldwide income tax expense in an estimated range of $95 million to $105 million at the close of the audit if the IRS prevails. The estimated range takes into consideration competent authority relief and transition tax regulations, and is exclusive of deferred tax consequences and interest expense, which would be significant. We disagree with the proposed adjustments and we intend to defend our position through applicable administrative and, if necessary, judicial remedies. Our policy is to review and update tax reserves as facts and circumstances change. Based on our interpretation of the regulations and available case law, we believe the position we have taken with regard to transfer pricing with our foreign subsidiaries is sustainable. In addition to the risk of additional tax for 2009 through 2016 transactions, if the IRS were to seek transfer pricing adjustments of a similar nature for transactions in subsequent years, we would be subject to significant additional tax liabilities. We have requested competent authority assistance under Mutual Agreement Procedure ("MAP") for tax years 2009 through 2016. We expect the competent authorities to present a resolution for the 2009 through 2011 tax years in the near future. Upon receipt, we will assess the resolution provided by the competent authorities as well as its impact on our existing income tax reserves for all subsequent years which remain open.

In January 2021, we received an issue closure notice relating to adjustments for 2012 through 2016 tax years from HMRC. These proposed adjustments are related to certain transfer pricing arrangements with our foreign subsidiaries and would result in an increase to our worldwide income tax expense in an estimated range of $45 million to $55 million, exclusive of interest expense, at the close of the audit if HMRC prevails. We disagree with the proposed adjustments and we intend to defend our position through applicable administrative and, if necessary, judicial remedies. Our policy is to review and update tax reserves as facts and circumstances change. Based on our interpretation of the regulations and available case law, we believe the position we have taken with regard to transfer pricing with our foreign subsidiaries is sustainable.

Over the last several years, the OECD has been working on a Base Erosion and Profit Shifting Project to address the tax challenges arising from digitalization. The OECD/G20 Inclusive Framework has issued various guidelines, policy notes, and proposals that if adopted could result in an overhaul of the international taxation system under which our current tax obligations are determined. In October 2021, more than 130 countries tentatively signed on to a framework, expected to be implemented in 2023, which calls for a minimum tax rate on corporations of 15% and a reallocation of profits from the largest and most profitable businesses to countries where they make sales. The proposed framework, once enacted, envisages new international tax rules and the removal of all digital services taxes. As this framework is subject to further negotiation and implementation by each member country, the timing and ultimate impact of any such changes on our tax obligations is uncertain. As the OECD/G20 continues to drive toward a consensus framework, several countries which have previously enacted unilateral digital services tax initiatives, such as France, Italy, Spain, and the U.K., will continue to impose these revenue-based taxes until implementation of the consensus framework. During the years ended December 31, 2021 and 2020, we recorded $1 million and $2 million, respectively, of digital service tax to general and administrative expense on our consolidated statement of operations.

Due to the one-time transition tax on the deemed repatriation of undistributed foreign subsidiary earnings and profits in 2017, as a result of the 2017 Tax Act, the majority of previously unremitted earnings have been subjected to U.S. federal income tax. To the extent future distributions from these subsidiaries will be taxable, a deferred tax liability has been accrued which was not material as of December 31, 2021. As of December 31, 2021, $427 million of our cumulative undistributed foreign earnings were no longer considered to be indefinitely reinvested.

Refer to "Note 12: *Income Taxes*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information on potential tax contingencies, including current audits by the IRS and various other domestic and foreign tax authorities, and other income tax and non-income tax matters.

Certain Relationships and Related Party Transactions

For information on our related party transactions, refer to "Note 19: *Related Party Transactions*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements and accompanying notes in accordance with GAAP. Preparation of the consolidated financial statements and accompanying notes requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements as well as revenue and expenses during the periods reported. Management bases its estimates on historical experience, when applicable and other assumptions that it believes are reasonable under the circumstances. Actual results may differ from estimates under different assumptions or conditions.

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

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

Refer to "Note 2: *Significant Accounting Policies*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for an overview of our significant accounting policies and new accounting pronouncements that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

A discussion of information about the nature and rationale for our critical accounting estimates is below:

Income Taxes

We record income taxes under the asset and liability method. Deferred tax assets and liabilities reflect our estimation of the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book and tax purposes. We determine deferred income taxes based on the differences in accounting methods and timing between financial statement and income tax reporting. Accordingly, we determine the deferred tax asset or liability for each temporary difference based on the enacted income tax rates expected to be in effect when we realize the underlying items of income and expense. We consider all relevant factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income and the carryforward periods available to us for tax reporting purposes, as well as assessing available tax planning strategies. We may establish a valuation allowance to reduce deferred tax assets to the amount we believe is more likely than not to be realized. As of December 31, 2021, we had a valuation allowance of approximately $123 million related to certain NOL carryforwards and other foreign deferred tax assets for which it is more likely than not, the tax benefit will not be realized. We classify deferred tax assets and liabilities as noncurrent on our consolidated balance sheet. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated operating results, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates.

We record liabilities to address uncertain tax positions we have taken in previously filed tax returns or that we expect to take in a future tax return. The determination for required liabilities is based upon an analysis of each individual tax position, taking into consideration whether it is more likely than not that our tax position, based on technical merits, will be sustained upon examination. For those positions for which we conclude it is more likely than not it will be sustained, we recognize the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the taxing authority. The difference between the amount recognized and the total tax position is recorded as a liability. The ultimate resolution of these tax positions may be greater or less than the liabilities recorded.

Refer to "Note 12: *Income Taxes*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K and "Contingencies" above for further information, including certain uncertainties, estimates, and potential contingencies related to ongoing audits regarding income taxes.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market Risk Management

Market risk refers to the risk of loss arising from adverse changes in stock prices, interest rates and foreign currency exchange rates. We are exposed to market risks primarily due to our international operations, our ongoing investment and financial activities, as well as changes in economic conditions in all significant markets in which we operate which has been heightened during the COVID-19 pandemic. The risk of loss can be assessed from the perspective of adverse changes in our future earnings, cash flows, fair values of our assets, and financial condition. Our exposure to market risk, at any point in time, may include risk, including to any borrowings under our Credit Facility, or outstanding debt related to our 2025 Senior Notes and 2026 Senior Notes, derivative instruments, capped calls, cash and cash equivalents, short term and long term marketable securities, if any, accounts receivable, intercompany receivables/payables, accounts payable, deferred merchant payables and other balances and transactions denominated in foreign currencies. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage and attempt to mitigate our exposure to such risks.

For a discussion of market conditions and impacts on our financials resulting from the COVID-19 pandemic, refer to Part I, Item 1A, "*Risk Factors*", Part II, Item 7, "*Management's Discussion and Analysis of Financial Condition and Results of Operations,*" and "Note 1: *Organization* and *Business Description*" in the notes to our consolidated financial statements in Item 8, in this Annual Report on Form 10-K.

Interest Rates

Our primary exposure to changes in interest rates relates primarily to our cash, cash equivalents, investment portfolio at any point in time, 2025 and 2026 Senior Notes, and borrowings, if any, under our existing Credit Facility.

Changes in interest rates affect the amount of interest earned on our cash, cash equivalents, and marketable securities, if any, and the fair value of those securities. Our interest income and expense is most sensitive to fluctuations in U.S. and LIBOR interest rates. We generally invest our excess cash in bank deposits at major global banks, money market funds, and marketable securities. Our investment policy and strategy are focused on preservation of capital and supporting our liquidity requirements. We invest in highly-rated securities, and our investment policy limits the amount of credit exposure to any one issuer. Our investment policy requires our investments to be investment grade, with the primary objective of minimizing the potential risk of principal loss.

As of December 31, 2021 and 2020, respectively, we had no outstanding cash equivalents or marketable securities in our investment portfolio, and no outstanding borrowings under our Credit Facility. In July 2020, we issued 2025 Senior Notes with a principal balance of $500 million at a fixed rate of 7.0% and in March 2021, we issued 2026 Senior Notes with a principal balance of $345 million at a fixed rate of 0.25%. As of December 31, 2021, the fair value of our 2025 Senior Notes and 2026 Senior Notes were approximately $531 million and $305 million, respectively, based on recently reported market transactions and prices for identical or similar financial instruments obtained from a third-party pricing source. Since our 2025 Senior Notes and 2026 Senior Notes bear interest at a fixed rate, we are more sensitive to the equity market price volatility of our shares than changes in interest rates. The fair value of the 2025 Senior Notes and 2026 Senior Notes will likely change when the market price of our stock fluctuates.

Refer to "Note 5: *Financial Instruments and Fair Value Measurements*" and "Note 10: *Debt*" in the notes to our consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further information on our cash and cash equivalents, investments and other financial instruments, 2026 Senior Notes, 2025 Senior Notes and our Credit Facility.

We currently do not hedge our interest rate risk; however, we are continually evaluating the interest rate market, and if we become increasingly exposed to potentially volatile movements in interest rates, and if these movements are material, this could cause us to adjust our financing strategy. We did not experience material changes in interest rate exposures or any material financial impact from adverse changes in interest rates for the years ended December 31, 2021, 2020 or 2019.

Foreign Currency Exchange Rates

We conduct business in certain international markets, largely in the Europe, including the U.K., and also in countries such as Singapore and Australia. Because we operate in international markets, we have exposure to different economic climates, political arenas, tax systems and regulations that could affect foreign currency exchange rates.

Some of our subsidiaries maintain their accounting records in their respective local currencies other than the U.S. dollar. Consequently, changes in foreign currency exchange rates may impact the translation of those subsidiary's financial statements into U.S. dollars. As a result, we face exposure to adverse movements in foreign currency exchange rates as the financial results of our non-U.S. dollar operations are translated from local currency, or functional currency, into U.S. dollars upon consolidation. If the U.S. dollar weakens against the functional currency, the translation of these foreign currency denominated balances will result in increased net assets, revenue, operating expenses, operating income and net income upon consolidation. Similarly, our net assets, revenue, operating expenses, operating income and net income will decrease upon consolidation if the U.S. dollar strengthens against the functional currency. The effect of foreign currency exchange on our business historically has varied from quarter to quarter and may continue to do so, potentially materially. In order to provide a meaningful assessment of the foreign currency exchange rate risk associated with our consolidated financial statements, we performed a sensitivity analysis. A hypothetical 10% decrease of the foreign currency exchange rates relative to the U.S. dollar, or strengthening of the U.S. dollar, would generate an estimated unrealized loss of approximately $44 million related to a decrease in our net assets as of December 31, 2021, which would initially be recorded to accumulated other comprehensive income (loss) on our consolidated balance sheet.

In addition, foreign currency exchange rate fluctuations on transactions denominated in currencies other than the functional currency result in transactional gains and losses. We recognize these transactional gains and losses (primarily Euro and British pound currency transactions) in our consolidated statement of operations and have recorded net foreign currency exchange losses of $6 million and $3 million for the years ended December 31, 2021 and 2019, respectively, and a net foreign currency exchange gain of $4 million for the year ended December 31, 2020, in "other income (expense), net" on our consolidated statements of operations. Future transactional gains and losses are inherently difficult to predict as they are reliant on how the multiple currencies in which we transact fluctuate in relation to the U.S. dollar and other functional currencies, and the relative composition and denomination of monetary assets and liabilities each period.

We manage our exposure to foreign currency risk through internally established policies and procedures. To the extent practicable, we minimize our foreign currency exposures by maintaining natural hedges between our current assets and current liabilities in similarly denominated foreign currencies, as well as, using derivative financial instruments. We use foreign currency forward exchange contracts ("forward contracts") to manage certain short-term foreign currency risk to try and reduce the effects of fluctuating foreign currency exchange rates on our cash flows denominated in foreign currencies. We do not use financial instruments for trading purposes and are not a party to any leveraged derivatives. Our objective is to hedge only those foreign currency exposures that can be confidently identified and quantified and that may result in significant impacts to our cash or the consolidated statement of operations. Our policy does not allow speculation in derivative instruments for profit or execution of derivative instrument contracts for which there are no underlying exposures.

The forward contracts which we have entered into to date, have principally addressed foreign currency exchange fluctuation risk between the Euro and the U.S. dollar. We account for these forward contacts, which have not been designated as hedges under GAAP to date, as either assets or liabilities and carry them at fair value. We had outstanding forward contracts as of December 31, 2021 and 2020, with a total net notional value of $9 million and $3 million, respectively. These forward contracts were not designated as hedges and had maturities of less than 90 days. We recognize gains and losses from forward contracts in our consolidated statement of operations and recorded net gains of $2 million, $1 million, and $1 million for the years ended December 31, 2021, 2020 and 2019, respectively, in other income (expense), net on our consolidated statements of operations. Refer to "Note 5: *Financial Instruments and Fair Value Measurements*" in the notes to the consolidated financial statements in Item 8 on this Annual Report on Form 10-K for further detail on our derivative instruments.

We expect that we will increase our operations internationally as, or when, COVID-19 restrictions are fully lifted and as international markets continue to reopen. Our exposure to potentially volatile movements in foreign currency exchange rates will increase as we begin to increase our operations in these international markets. The economic impact to us of foreign currency exchange rate movements is linked to variability in real growth, inflation, interest rates, governmental actions, and other factors. These changes, if material, could cause us to adjust our foreign currency risk strategies. For example, Brexit (pursuant to which the United Kingdom ceased to be a member of the European Union) has caused volatility in currency exchange rates, including between the U.S. dollar and the British pound. Although, the U.K. and E.U. finalized the terms of the departure on December 24, 2020, certain decisions still need to be made on financial services, among others, and disputes may lead to tariffs being imposed on some goods in the future. Continued uncertainty regarding our international operations and U.K. and E.U. relations may result in future currency exchange rate volatility which may impact our business and results of operations.

Item 8. Financial Statements and Supplementary Data

Index to Financial Statements and Supplementary Data:

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Tripadvisor, Inc.:

Opinion on the Consolidated Financial Statements

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

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 18, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

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

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

Critical Audit Matter

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

Sufficiency of audit evidence over revenue

As discussed in Notes 2 and 4 to the consolidated financial statements, and disclosed in the consolidated statements of operations, the Company had $902 million in revenue for the year ended December 31, 2021, of which $452 million was hotels related, $97 million was display and platform related, $307 million related to experiences and dining and $46 million of other revenue. Each of these categories of revenue has multiple revenue streams and the Company's processes and information technology (IT) systems differ between each revenue stream.

We identified the evaluation of sufficiency of audit evidence over revenue as a critical audit matter. This matter required especially subjective auditor judgment due to the number of revenue streams and the related IT applications utilized throughout the revenue recognition processes. Subjective auditor judgment was required to evaluate that relevant revenue data was captured and aggregated throughout these various IT applications which included the involvement of IT professionals with specialized skills and knowledge. This matter also included determining the revenue streams over which procedures would be performed and evaluating the nature and extent of evidence obtained over each revenue stream.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over revenue. For each revenue stream where procedures were performed:

- We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter. This included controls related to accurate recording of amounts.
- For certain revenue streams, we assessed the recorded revenue by selecting a sample of transactions and compared the amounts recognized for consistency with underlying documentation, including evidence of contracts with customers.
- For certain revenue streams, we assessed the recorded revenue by comparing the total cash received during the year to the revenue recognized, including evaluating the relevance and reliability of the inputs to the assessment.

We involved IT professionals with specialized skills and knowledge, who assisted in:

- Testing certain IT applications used by the Company in its revenue recognition processes.
- Testing the transfer of relevant revenue data between certain systems used in the revenue recognition processes.

We evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed.

/s/ KPMG LLP

We have served as the Company's auditor since 2014.

Boston, Massachusetts
February 18, 2022

TRIPADVISOR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)

	Year ended December 31,		
	2021	2020	2019
Revenue (Note 4)	$ 902	$ 604	$ 1,560
Costs and expenses:			
Cost of revenue (1)(2)	74	55	94
Selling and marketing (2)	469	316	672
Technology and content (2)	212	220	293
General and administrative (2)	167	173	187
Depreciation and amortization	111	125	126
Impairment of goodwill (Note 8)	—	3	—
Restructuring and other related reorganization costs (Note 1)	—	41	1
Total costs and expenses:	1,033	933	1,373
Operating income (loss)	(131)	(329)	187
Other income (expense):			
Interest expense	(45)	(35)	(7)
Interest income	1	3	17
Other income (expense), net (Note 18)	(10)	(8)	(3)
Total other income (expense), net	(54)	(40)	7
Income (loss) before income taxes	(185)	(369)	194
(Provision) benefit for income taxes (Note 12)	37	80	(68)
Net income (loss)	$ (148)	$ (289)	$ 126
Earnings (loss) per share attributable to common stockholders (Note 17):			
Basic	$ (1.08)	$ (2.14)	$ 0.91
Diluted	$ (1.08)	$ (2.14)	$ 0.89
Weighted average common shares outstanding (Note 17):			
Basic	137	135	139
Diluted	137	135	141
(1) Excludes amortization expense as follows:			
Amortization of acquired technology included in amortization	$ 3	$ 3	$ 10
Amortization of capitalized website development costs included in depreciation	64	67	63
	$ 67	$ 70	$ 73
(2) Includes stock-based compensation expense as follows (Note 15):			
Cost of revenue	$ 1	$ 1	$ 1
Selling and marketing	$ 16	$ 16	$ 23
Technology and content	$ 46	$ 44	$ 55
General and administrative	$ 57	$ 48	$ 45

The accompanying notes are an integral part of these consolidated financial statements.

TRIPADVISOR, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in millions)

	Year ended December 31, 2021	2020	2019
Net income (loss)	$ (148)	$ (289)	$ 126
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments, net of tax (1)	(24)	28	1
Reclassification adjustments included in net income (loss), net of tax	2	1	(2)
Total other comprehensive income (loss), net of tax	(22)	29	(1)
Comprehensive income (loss)	$ (170)	$ (260)	$ 125

(1) Deferred income tax liabilities related to these amounts are not material. Refer to "Note 12: *Income Taxes*" for further information.

The accompanying notes are an integral part of these consolidated financial statements.

TRIPADVISOR, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except number of shares and per share amounts)

	December 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents (Note 5)	$ 723	$ 418
Accounts receivable and contract assets, net of allowance for credit losses of $28 and $33, respectively (Note 2, Note 4)	142	83
Income taxes receivable (Note 12)	49	50
Prepaid expenses and other current assets	26	22
Total current assets	940	573
Property and equipment, net (Note 6)	215	240
Operating lease right-of-use assets (Note 7)	42	54
Intangible assets, net (Note 8)	65	86
Goodwill (Note 8)	843	862
Non-marketable investments (Note 5)	36	40
Deferred income taxes, net (Note 12)	54	10
Other long-term assets, net of allowance for credit losses of $10 and $5, respectively	94	104
TOTAL ASSETS	$ 2,289	$ 1,969
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 27	$ 18
Deferred merchant payables (Note 2)	113	36
Deferred revenue (Note 4)	36	28
Accrued expenses and other current liabilities (Note 9)	181	160
Total current liabilities	357	242
Long-term debt (Note 10)	833	491
Finance lease obligation, net of current portion (Note 7)	65	71
Operating lease liabilities, net of current portion (Note 7)	29	46
Deferred income taxes, net (Note 12)	1	10
Other long-term liabilities (Note 11)	215	223
Total Liabilities	1,500	1,083
Commitments and contingencies (Note 13)		
Stockholders' equity: (Note 16)		
Preferred stock, $0.001 par value	—	—
Authorized shares: 100,000,000		
Shares issued and outstanding: 0 and 0		
Common stock, $0.001 par value	—	—
Authorized shares: 1,600,000,000		
Shares issued: 144,656,649 and 140,775,221, respectively		
Shares outstanding: 125,812,035 and 121,930,607, respectively		
Class B common stock, $0.001 par value	—	—
Authorized shares: 400,000,000		
Shares issued and outstanding: 12,799,999 and 12,799,999, respectively		
Additional paid-in capital	1,326	1,253
Retained earnings	241	389
Accumulated other comprehensive income (loss)	(56)	(34)
Treasury stock-common stock, at cost, 18,844,614 and 18,844,614 shares, respectively	(722)	(722)
Total Stockholders' Equity	789	886
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,289	$ 1,969

The accompanying notes are an integral part of these consolidated financial statements.

TRIPADVISOR, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions, except number of shares and per share amounts)

	Common stock		Class B common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock		Total
	Shares	Amount	Shares	Amount				Shares	Amount	
Balance as of December 31, 2018	**137,158,010**	**$ —**	**12,799,999**	**$ —**	**$ 1,037**	**$ 1,043**	**$ (62)**	**(12,056,688)**	**$ (547)**	**$ 1,471**
Net income (loss)						126				126
Cumulative effect adjustment from adoption of new accounting guidance						3				3
Other comprehensive income (loss), net of tax							(1)			(1)
Issuance of common stock related to exercise of options and vesting of RSUs	1,540,297	—			2					2
Repurchase of common stock (Note 16)								(2,059,846)	(60)	(60)
Cash dividends declared to common stockholders (declared at $3.50 per share) (Note 16)						(488)				(488)
Common stock dividend equivalents awarded to holders of nonvested restricted stock units (Note 16)						(3)				(3)
Withholding taxes on net share settlements of equity awards					(29)					(29)
Stock-based compensation (Note 15)					140					140
Balance as of December 31, 2019	**138,698,307**	**$ —**	**12,799,999**	**$ —**	**$ 1,150**	**$ 681**	**$ (63)**	**(14,116,534)**	**$ (607)**	**$ 1,161**
Net income (loss)						(289)				(289)
Cumulative effect adjustment from adoption of new accounting guidance						(3)				(3)
Other comprehensive income (loss), net of tax							29			29
Issuance of common stock related to exercise of options and vesting of RSUs	2,076,914	—			—					—
Repurchase of common stock (Note 16)								(4,707,450)	(115)	(115)
Withholding taxes on net share settlements of equity awards					(21)					(21)
Stock-based compensation (Note 15)					124					124
Other								(20,630)	—	—
Balance as of December 31, 2020	**140,775,221**	**$ —**	**12,799,999**	**$ —**	**$ 1,253**	**$ 389**	**$ (34)**	**(18,844,614)**	**$ (722)**	**$ 886**
Net income (loss)						(148)				(148)
Other comprehensive income (loss), net of tax							(22)			(22)
Issuance of common stock related to exercise of options and vesting of RSUs	3,881,428	—			8					8
Purchase of capped calls, net of tax of $9 million (Note 10)					(26)					(26)
Withholding taxes on net share settlements of equity awards					(44)					(44)
Stock-based compensation (Note 15)					135					135
Balance as of December 31, 2021	**144,656,649**	**$ —**	**12,799,999**	**$ —**	**$ 1,326**	**$ 241**	**$ (56)**	**(18,844,614)**	**$ (722)**	**$ 789**

The accompanying notes are an integral part of these consolidated financial statements.

TRIPADVISOR, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year ended December 31, 2021	2020	2019
Operating activities:			
Net income (loss)	$ (148)	$ (289)	$ 126
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	111	125	126
Stock-based compensation expense (Note 15)	120	109	124
Deferred income tax expense (benefit) (Note 12)	(44)	(1)	6
Provision for expected credit losses (Note 2)	3	17	11
Impairment of goodwill (Note 8)	—	3	—
Loss on sale/disposal of business (Note 18)	—	6	—
Other, net	19	11	(3)
Changes in operating assets and liabilities, net of effects from acquisitions and other investments:			
Accounts receivable and contract assets, prepaid expenses and other assets	(73)	92	23
Accounts payable, accrued expenses and other liabilities	30	(28)	(1)
Deferred merchant payables	81	(124)	(3)
Income tax receivables/payables, net	1	(81)	17
Deferred revenue	8	(34)	(2)
Net cash provided by (used in) operating activities	108	(194)	424
Investing activities:			
Capital expenditures, including capitalized website development	(54)	(55)	(83)
Acquisitions and other investments, net of cash acquired (Note 3)	—	(4)	(110)
Purchases of marketable securities	—	—	(133)
Sales of marketable securities	—	—	80
Maturities of marketable securities	—	—	70
Other investing activities, net	—	3	—
Net cash provided by (used in) investing activities	(54)	(56)	(176)
Financing activities:			
Repurchase of common stock (Note 16)	—	(115)	(60)
Payment of common stock cash dividends to stockholders (Note 16)	—	—	(488)
Proceeds from issuance of 2026 Senior Notes, net of financing costs (Note 10)	340	—	—
Purchase of capped calls in connection with 2026 Senior Notes (Note 10)	(35)	—	—
Proceeds from issuance of 2025 Senior Notes (Note 10)	—	500	—
Payment of financing costs for the issuance of 2025 Senior Notes (Note 10)	—	(10)	—
Proceeds from Credit Facility (Note 10)	—	700	—
Payment of financing costs related to Credit Facility (Note 10)	—	(7)	—
Payments to Credit Facility (Note 10)	—	(700)	—
Proceeds from exercise of stock options (Note 15)	8	—	2
Payment of withholding taxes on net share settlements of equity awards	(44)	(21)	(29)
Payments of finance lease obligation (Note 7)	(6)	(6)	(5)
Net cash provided by (used in) financing activities	263	341	(580)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(12)	8	(4)
Net increase (decrease) in cash, cash equivalents and restricted cash	305	99	(336)
Cash, cash equivalents and restricted cash at beginning of period	418	319	655
Cash, cash equivalents and restricted cash at end of period	$ 723	$ 418	$ 319
Supplemental disclosure of cash flow information:			
Cash paid during the period for income taxes, net of refunds	$ 5	$ 3	$ 47
Cash paid during the period for interest	$ 43	$ 13	$ 6
Supplemental disclosure of non-cash investing and financing activities:			
Stock-based compensation capitalized website development costs (Note 15)	$ 13	$ 15	$ 19
Equity method investment acquired for non-cash consideration (Note 5)	$ —	$ —	$ 41

The accompanying notes are an integral part of these consolidated financial statements.

TRIPADVISOR, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND BUSINESS DESCRIPTION

We refer to Tripadvisor, Inc. and our wholly-owned subsidiaries as "Tripadvisor," "the Company," "us," "we" and "our" in these notes to the consolidated financial statements.

On December 20, 2011, Expedia Group, Inc. ("Expedia") completed a spin-off of Tripadvisor into a separate publicly traded Delaware corporation. We refer to this transaction as the "Spin-Off." Tripadvisor's common stock began trading on The Nasdaq as an independent public company on December 21, 2011, under the trading symbol "TRIP."

On December 11, 2012, Liberty Interactive Corporation, or Liberty, purchased an aggregate of approximately 4.8 million shares of common stock of Tripadvisor from Barry Diller, our former Chairman of the Board of Directors and Senior Executive, and certain of his affiliates. As a result, Liberty beneficially owned approximately 18.2 million shares of our common stock and 12.8 million shares of our Class B common stock.

On August 27, 2014, the entire beneficial ownership of our common stock and Class B common stock held by Liberty was acquired by Liberty TripAdvisor Holdings, Inc., or LTRIP. Simultaneously, Liberty, LTRIP's former parent company, distributed, by means of a dividend, to the holders of its Liberty Ventures common stock, Liberty's entire equity interest in LTRIP. We refer to this transaction as the "Liberty Spin-Off". As a result of the Liberty Spin-Off, effective August 27, 2014, LTRIP became a separate, publicly traded company holding 100% of Liberty's interest in Tripadvisor.

As a result of these transactions, and as of December 31, 2021, LTRIP beneficially owned approximately 16.4 million shares of our common stock and 12.8 million shares of our Class B common stock, which constitute approximately 13% of the outstanding shares of common stock and 100% of the outstanding shares of Class B common stock. Assuming the conversion of all of LTRIP's shares of Class B common stock into common stock, LTRIP would beneficially own approximately 21% of the outstanding common stock. Because each share of Class B common stock is entitled to ten votes per share and each share of common stock is entitled to one vote per share, LTRIP may be deemed to beneficially own equity securities representing nearly 57% of our voting power.

Description of Business

Tripadvisor operates the world's largest travel guidance platform, connecting a global audience of prospective travelers with travel partners through rich content, price comparison tools, and online reservation and related services for destinations, accommodations, travel activities and experiences, and restaurants. Our mission is to help people around the world plan, book and experience the perfect trip.

In 2000, under our flagship brand Tripadvisor, we launched www.Tripadvisor.com in the U.S. Since then, we have built a portfolio of travel guidance brands and businesses, seamlessly connecting travelers to destinations, accommodations, travel activities and experiences, and restaurants in over 40 markets and over 20 languages worldwide. Tripadvisor features more than 1 billion reviews and opinions on nearly 8 million hotels and other accommodations, restaurants, experiences, airlines and cruises. In addition to the flagship Tripadvisor brand, we own and operate a portfolio of travel media brands and businesses, operating under various websites, including the following: www.bokun.io, www.cruisecritic.com, www.flipkey.com, www.thefork.com, www.helloreco.com, www.holidaylettings.co.uk, www.housetrip.com, www.jetsetter.com, www.niumba.com, www.seatguru.com, www.singleplatform.com, www.vacationhomerentals.com, and www.viator.com.

Risks and Uncertainties

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China, and on March 11, 2020 was declared a global pandemic. COVID-19 has caused material and adverse declines in consumer demand within the travel, hospitality, restaurant, and leisure industry. The pandemic's proliferation, concurrent with travel bans, varying levels of governmental restrictions and mandates globally to limit the spread of the virus, has dampened consumer demand for our products and services, and impacted consumer sentiment and discretionary spending patterns, all of which have adversely and materially impacted our results of operations, liquidity and financial condition during the year ended December 31, 2020, and to a lesser degree during the year ended December 31, 2021 as the travel industry experienced, albeit uneven, ongoing recovery.

In response to the COVID-19 pandemic, we took several steps to further strengthen our financial position and balance sheet including but not limited to, restructuring activities, primarily by significantly reducing our ongoing operating expenses and headcount. During the year ended December 31, 2020, the Company incurred total restructuring and other related reorganization costs of $41 million which consisted of employee severance and related benefits. These costs were fully paid by the Company as of December 31, 2020. In addition, in order to maintain financial liquidity and flexibility during this time period, the Company (i) borrowed $700 million from our Credit Facility in the first quarter of 2020 (subsequently repaid during the third quarter of 2020); (ii) amended our Credit Agreement, which included short-term financial covenant relief and the extension of the maturity date from May 12, 2022 to May 12, 2024; and (iii) raised additional financing through the issuance of $500 million in Senior Notes by the Company in July 2020, all which are described in more detail in "Note 10: *Debt*".

In the fourth quarter of 2020, multiple COVID-19 vaccines were approved for widespread distribution throughout various parts of the world, including the United States and Europe, and in the first quarter of 2021, vaccination distribution programs were initiated around the world. Vaccine programs in our largest markets, the U.S. and Europe, appear to be progressing well, and we expect the same for much of the rest of the world. We are encouraged by these developments; however, while we have seen varying degrees of containment of the virus (including variants) in various countries and positive signs of growing travel demand recovery during 2021, the degree of containment and the recovery in travel has varied both region-to-region on a global basis, as well as state-to-state in the U.S. For example, as COVID-19 cases resurged or as new variants were identified, government restrictions and mandates were reinstated in certain geographies globally during 2021.

Therefore, we continue to be subject to risks and uncertainties as a result of the COVID-19 pandemic. The timing of widespread vaccine distributions, efficacy against any future or recent variants (e.g., Delta and Omicron) of COVID-19, whether there will be resurgences of the virus and subsequent government restrictions, the extent and effectiveness of containment actions taken, and whether consumers demand for travel and hospitality services will continue to be negatively impacted remain uncertain. We do not know the future path or rate of global or regional COVID-19 transmission, including existing COVID-19 variants (e.g., Delta and Omicron) or future variants, if any, nor do we have visibility into when remaining or reinstated restrictions will be lifted, and where additional restrictions may be implemented or reinstated in the future due to resurgence of the virus. Correspondingly, we still do not have forward-looking visibility into the long-term impacts related to consumer demand for travel, usage patterns on our platform, and travel behavior patterns when all travel bans and other government restrictions and mandates are fully lifted.

Therefore, the continuing extent of the impact of the COVID-19 pandemic on our business, results of operations, liquidity and financial condition remains uncertain, and is dependent on future developments that cannot be accurately predicted at this time. We continue to believe the travel, leisure, hospitality, and restaurant industries (collectively, the "travel industry"), and our financial results, will continue to be adversely and materially affected while the pandemic continues, new variants emerge, and lingering travel bans and other government restrictions and mandates continue to remain in place or be reinstated, all of which negatively impact consumer demand, sentiment and discretionary spending patterns.

Seasonality

Consumers' travel expenditures have historically followed a seasonal pattern. Correspondingly, travel partners' advertising investments, and therefore our revenue and operating profits, have also historically followed a seasonal pattern. Our financial performance tends to be seasonally highest in the second and third quarters of a given year, which includes the seasonal peak in consumer demand, traveler hotel and rental stays, and travel activities and experiences taken, compared to the first and fourth quarters, which represent seasonal low points. During the first half of the year, experience and rentals bookings typically exceed the amount of completed experiences and rental stays, resulting in higher cash flow related to working capital, while during the second half of the year, particularly in the third quarter, this pattern reverses and cash flows from these transactions are typically negative.

Other factors may also impact typical seasonal fluctuations, which include further significant shifts in our business mix or adverse economic conditions that could result in future seasonal patterns that are different from historical trends. For example, due to the impact of COVID-19 on our business, we did not experience our typical seasonal pattern for revenue and operating profits during the year ended December 31, 2020. COVID-19 contributed significantly to unfavorable working capital trends and material negative operating cash flow during the year ended December 31, 2020, most notably occurring during the first half of 2020, when we typically generate significant positive cash flow.

Although consumer demand, traveler hotel and rental stays, and travel activities and experiences taken generally remain materially lower than historic levels, these trends have improved during 2021, resulting in increased revenues, and working capital and operating cash flow more akin to typical historical seasonality trends. However, it is difficult to predict the seasonality for 2022, given the sustained uncertainty related to the continued economic impact of the COVID-19 pandemic, and the ultimate shape and timing of a recovery in our key markets.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include Tripadvisor, our wholly-owned subsidiaries, and entities we control, or in which we have a variable interest and are the primary beneficiary of expected cash profits or losses. All inter-company accounts and transactions have been eliminated in consolidation. Additionally, certain prior period amounts have been reclassified for comparability with the current period presentation. The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). We believe that the assumptions underlying our consolidated financial statements are reasonable. However, these consolidated financial statements do not present our future financial position, the results of our future operations and cash flows.

One of our subsidiaries that operates in China has variable interests in affiliated entities in China in order to comply with Chinese laws and regulations, which restrict foreign investment in internet content provision businesses. Although we do not own the capital stock of these Chinese affiliates, we consolidate their results as we are the primary beneficiary of the cash losses or profits of these variable interest affiliates and have the power to direct the activity of these affiliates. Our variable interest entities' financial results were not material for all periods presented. Investments in entities in which we do not have a controlling financial interest are accounted for under the equity method, the fair value option, as available-for-sale securities or at cost adjusted for observable price changes and impairments, as appropriate.

Accounting Estimates

We use estimates and assumptions in the preparation of our consolidated financial statements in accordance with GAAP. Our estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of our consolidated financial statements. These estimates and assumptions also affect the reported amount of net income or loss during any period. Our actual financial results could differ significantly from these estimates. The significant estimate underlying our consolidated financial statements is accounting for income taxes. The COVID-19 pandemic has created significant uncertainty in macroeconomic conditions, which may cause further business disruptions and continue to adversely and materially impact our results of operations. As a result, some of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods

Revenue Recognition

Refer to "Note 4: *Revenue Recognition"* for a discussion about our revenue recognition policies and other financial disclosures.

Cost of Revenue

Cost of revenue consists of expenses that are directly related or closely correlated to revenue generation, including direct costs, such as credit card and other booking transaction payment fees, data center costs, costs associated with prepaid tour tickets, ad serving fees, flight search fees, and other transaction costs. In addition, cost of revenue includes personnel and overhead expenses, including salaries, benefits, stock-based compensation and bonuses for certain customer support personnel who are directly involved in revenue generation.

Selling and Marketing

Selling and marketing expenses consist of direct costs, including traffic generation costs from SEM and other online traffic acquisition costs, syndication costs and affiliate marketing commissions, social media costs, brand advertising (including television and other offline advertising), promotions and public relations. In addition, our selling and marketing expenses consist of indirect costs such as personnel and overhead expenses, including salaries, commissions, benefits, stock-based compensation, and bonuses for sales, sales support, customer support and marketing employees.

Advertising costs

We incur advertising costs, consisting of online advertising expense, primarily SEM and other online traffic costs, and offline advertising costs, including television, to promote our brands. We expense the costs associated with communicating the advertisements in the period in which the advertisement takes place. We expense the production costs associated with advertisements in the period in which the advertisement first takes place. For the years ended December 31, 2021, 2020 and 2019, we recorded advertising expense of $282 million, $118 million, and $423 million, respectively, in selling and marketing expense on our consolidated statements of operations. We include prepaid advertising expenses in prepaid expenses and other current assets on our consolidated balance sheet, which was not material as of December 31, 2021 and 2020.

Technology and Content

Technology and content expenses consist primarily of personnel and overhead expenses, including salaries and benefits, stock-based compensation expense, and bonuses for salaried employees and contractors engaged in the design, development, testing, content support, and maintenance of our platform. Other costs include licensing, maintenance expense, computer supplies, telecom costs, content translation and localization costs, and consulting costs.

General and Administrative

General and administrative expenses consist primarily of personnel and related overhead costs, including personnel engaged in leadership, finance, legal, and human resources, as well as stock-based compensation expense for those same personnel. General and administrative costs also include professional service fees and other fees including audit, legal, tax and accounting, and other costs including bad debt expense, non-income taxes, such as sales, use and other non-income related taxes.

Stock-Based Compensation

Stock Options. Our employee stock options generally consist of service based awards. The exercise price is equal to the market price of the underlying shares of our common stock at the date of grant. In this regard, when granting stock option awards, our practice is to determine the applicable grant date and to specify that the exercise price shall be the closing price of our common stock on the date of grant. Our stock options generally have a term of ten years from the date of grant and typically vest equally over a four-year requisite service period. We amortize the grant-date fair value of our stock option grants as stock-based compensation expense over the vesting term on a straight-line basis, with the amount of compensation expense recognized at any date at least equaling the portion of the grant-date fair value of the award that is vested at that date.

The estimated grant-date fair value of stock options is calculated using a Black-Scholes Merton option-pricing model (“Black-Scholes model”). The Black-Scholes model incorporates assumptions to fair value stock-based awards, which includes the risk-free rate of return, expected volatility, expected term, and expected dividend yield.

Our risk-free interest rate is based on the yields currently available on zero-coupon U.S. Treasury issues, in effect at the time of the grant, whose remaining maturity period most closely approximates the stock option's expected term assumption. Our expected volatility is calculated by equally weighting the historical volatility and implied volatility on our own common stock. Historical volatility is determined using actual daily price observations of our common stock price over a period equivalent to or approximate to the expected term of our stock option grants to date. Implied volatility represents the volatility calculated from the observed prices of our actively traded options on our common stock. When measuring implied volatility for a specific employee stock option grant, we generally rely on traded contracts with six month maturities or more and exercise prices approximately equal to the exercise price of the specific option grant. We estimate our expected term using historical exercise behavior and expected post-vest termination data. Our expected dividend yield is zero as we have not historically paid regular cash dividends on our common stock and do not expect to pay regular cash dividends for the foreseeable future.

Restricted Stock Units. Restricted stock units ("RSUs") are stock awards that are granted to employees entitling the holder to shares of our common stock as the award vests. RSUs are measured at fair value based on the quoted price of our common stock at the date of grant. We amortize the fair value of RSUs as stock-based compensation expense over the vesting term, which is typically over a four-year requisite service period on a straight-line basis, with the amount of compensation expense recognized at any date at least equaling the portion of the grant-date fair value of the award that is vested at that date.

Performance-Based Awards. Performance-based stock options and RSUs vest upon achievement of certain company-based performance conditions and a requisite service period. On the date of grant, the fair value of a performance-based award is calculated using the same method as our service based stock options and RSUs described above. We then assess whether it is probable that the individual performance targets would be achieved. If assessed as probable, compensation expense will be recorded for these awards over the estimated performance period. At each reporting period, we reassess the probability of achieving the performance targets and the performance period required to meet those targets. The estimation of whether the performance targets will be achieved and of the performance period required to achieve the targets requires judgment, and to the extent actual results or updated estimates differ from our current estimates, the cumulative effect on current and prior periods of those changes will be recorded in the period estimates are revised, or the change in estimate will be applied prospectively depending on whether the change affects the estimate of total compensation cost to be recognized or merely affects the period over which compensation cost is to be recognized. The ultimate number of shares issued and the related compensation expense recognized will be based on a comparison of the final performance metrics to the specified targets.

Market-Based Awards. We issue market-based performance RSUs, or MSUs, which vest upon achievement of specified levels of market conditions. The fair value of our MSUs is estimated at the date of grant using a Monte-Carlo simulation model. The probabilities of the actual number of market-based performance units expected to vest and resultant actual number of shares of common stock expected to be awarded are reflected in the grant date fair values; therefore, the compensation expense for these awards will be recognized assuming the requisite service period is rendered and are not adjusted based on the actual number of awards that ultimately vest.

Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive these awards, and subsequent events are not indicative of the reasonableness of our original estimates of fair value. The Company accounts for forfeitures in the period in which they occur, rather than estimate expected forfeitures.

Income Taxes

We record income taxes under the asset and liability method. Deferred tax assets and liabilities reflect our estimation of the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book and tax purposes. We determine deferred income taxes based on the differences in accounting methods and timing between financial statement and income tax reporting. Accordingly, we determine the deferred tax asset or liability for each temporary difference based on the enacted income tax rates expected to be in effect when we realize the underlying items of income and expense. We consider all relevant factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carryforward periods available to us for tax reporting purposes, as well as assessing available tax planning strategies. We may establish a valuation allowance to reduce deferred tax assets to the amount we believe is more likely than not to be realized. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated operating results, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates. We classify deferred tax assets and liabilities as noncurrent on our consolidated balance sheet.

We record liabilities to address uncertain tax positions we have taken in previously filed tax returns or that we expect to take in a future tax return. The determination for required liabilities is based upon an analysis of each individual tax position, taking into consideration whether it is more likely than not that our tax position, based on technical merits, will be sustained upon examination.

Cash, Cash Equivalents and Marketable Securities

Our cash consists of bank deposits held in global financial institutions. Our cash equivalents generally consist of highly liquid investments, generally including money market funds, overnight demand deposits, and marketable securities, with maturities of 90 days or less at the date of purchase.

For all periods presented, our restricted cash, which primarily consists of escrowed security deposits, was not material and is included in other long-term assets on our consolidated balance sheet.

We classify marketable securities as either short-term or long-term based on each instrument's underlying contractual maturity date and as to whether and when we intend to sell a particular security prior to its maturity date. Marketable securities with maturities greater than 90 days at the date of purchase and 12 months or less remaining at the balance sheet date will be classified as short-term and marketable securities with maturities greater than 12 months from the balance sheet date will generally be classified as long-term. We classify marketable equity securities, limited by policy to money market funds and mutual funds, as either a cash equivalent, short-term or long-term based on the nature of each security and its availability for use in current operations.

Our marketable securities are classified and accounted for as available-for-sale, and therefore are carried at fair value, with unrealized gains and losses, net of taxes, reported in accumulated other comprehensive income (loss) as a component of stockholders' equity. Fair values are determined for each individual security in the investment portfolio. We determine the appropriate classification of our marketable securities at the time of purchase and reevaluate the designations at each balance sheet date. We invest in highly-rated securities, and our investment policy limits the amount of credit exposure to any one issuer, industry group and currency. The policy requires investments to be investment grade, with the primary objective of minimizing the potential risk of principal loss and providing liquidity of investments sufficient to meet our operating and capital spending requirements and debt repayments. Realized gains and losses on the sale of marketable securities are determined by specific identification of each security's cost basis. We may sell certain of our marketable securities prior to their stated maturities for strategic reasons including, but not limited to, anticipation of credit deterioration, liquidity, and duration management. The weighted average maturity of our total invested cash shall not exceed 18 months, and no security shall have a final maturity date greater than three years, according to our investment policy.

We continually review any available-for-sale securities to determine whether their fair value is below their carrying value. If the fair value of an available-for-sale security is below their carrying value, and either we intend to sell the security or we will be required to sell before recovery, then the difference between fair value and carrying value is recognized as a loss in other income (expense), net on our consolidated statements of operations. If we do not intend to sell and we will not be required to sell before recovery, then we analyze whether a portion of the unrealized loss is the result of a credit loss. When a portion of the unrealized loss is the result of a credit loss, we recognize an allowance for credit losses on our consolidated balance sheet and a corresponding loss in other income (expense), net on our consolidated statements of operations. Any portion of the unrealized loss on the available-for-sale securities that is not attributable to a credit loss would be recognized as an unrealized loss in accumulated other comprehensive income (loss) within our consolidated statements of changes in stockholders' equity.

The Company's investment portfolio at any point in time may contain investments, including, in U.S. treasury and U.S. government agency securities, taxable and tax-exempt municipal notes, corporate notes and bonds, commercial paper, non-U.S. government agency securities, overnight demand deposits, and money market funds. The Company segments its portfolio based on the underlying risk profiles of the securities and has a zero loss expectation for U.S. treasury and U.S. government agency securities. The Company regularly reviews the securities in an unrealized loss position and evaluates the expected credit loss risk by considering factors such as historical experience, market data, issuer-specific factors, and current economic conditions. As of December 31, 2021 and 2020, the Company had no available-for-sale securities.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are recognized when the right to consideration becomes unconditional and are recorded net of an allowance for credit losses. We record accounts receivable at the invoiced amount. Our customer invoices are generally due 30 days from the time of invoicing. The Company historically recorded an allowance for doubtful accounts using the incurred loss model. Upon adoption of ASC 326 – *Financial Instruments – Credit Losses* ("ASC 326"), the Company transitioned to the "expected credit loss" methodology in estimating its allowance for credit losses, which the Company adopted on January 1, 2020.

We apply the "expected credit loss" methodology by first assessing our historical losses based on credit sales and then adding in an assessment of expected changes in the foreseeable future, whether positive or negative, to the Company's ability to collect its outstanding accounts receivables, or the expectation for future losses. The Company develops its expectation for future losses by assessing the profiles of its customers using their historical payment patterns, any known changes to those customers' ability to fulfill their payment obligations, and assessing broader economic conditions that may impact our customers' ability to pay their obligations. Where appropriate, the Company performs this analysis using a portfolio approach. Portfolios comprise customers with similar characteristics and payment history, and we have concluded that the aggregation of these customers into various portfolios does not produce a result that is materially different from considering the affected customers individually. Customers are assigned internal credit ratings, as determined by the Company, based on our collection profiles. Customers whose outstanding obligations are less likely to experience a credit loss are assigned a higher internal credit rating, and those customers whose outstanding obligations are more likely to experience a credit loss are assigned a lower credit rating. We recognize a greater credit loss allowance on the accounts receivable due from those customers in the lower credit tranche, as determined by the Company. When the Company becomes aware of facts and circumstances affecting an individual customer, it also takes that specific customer information into account as part of its calculation of expected credit losses.

The Company's exposure to credit losses may increase if our customers are adversely affected by changes in macroeconomic pressures or uncertainty associated with local or global economic recessions, including the economic impact to our customers associated with COVID-19, or other customer-specific factors.

The following table presents the changes in our allowance for credit losses for the periods presented:

	December 31,		
	2021	2020	2019
		(in millions)	
Allowance for credit losses:			
Balance, beginning of period	$ 33	$ 25	$ 21
Provision charged to expense	3	17	11
Write-offs, net of recoveries and other adjustments	(8)	(9)	(7)
Balance, end of period	$ 28	$ 33	$ 25

Property and Equipment

We record property and equipment at cost, net of accumulated depreciation. We capitalize certain costs incurred during the application development stage related to the development of websites and internal use software when it is probable the project will be completed and the software will be used as intended. Capitalized costs include internal and external costs, if direct and incremental, and deemed by management to be significant. We expense costs related to the planning and post-implementation phases of website development as these costs are incurred.

Maintenance and enhancement costs (including those costs in the post-implementation stages) are typically expensed as incurred, unless such costs relate to substantial upgrades and enhancements to the website or software resulting in added functionality, in which case the costs are capitalized.

We compute depreciation using the straight-line method over the estimated useful lives of the assets, which is three to five years for computer equipment, capitalized website development, office furniture and other equipment. We depreciate leasehold improvements using the straight-line method, over the shorter of the estimated useful life of the improvement or the remaining term of the lease.

Leases

We lease office space in a number of countries around the world, generally under non-cancelable operating lease agreements. Our Headquarters Lease is our most significant office space lease and is accounted for as a finance lease under GAAP. The Company has also entered into data center and certain equipment leases, such as network equipment and other leases, which are not material to our consolidated financial statements. Refer to "Note 7: *Leases"* for a discussion of our lease accounting policy and other required financial disclosures.

Non-Marketable Equity Investments

We account for non-marketable equity investments through which we exercise significant influence but do not have control over the investee under the equity method. Under this method, the investment, originally recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the investment as they occur rather than as dividends or other distributions are received. Losses are limited to the extent of the Company's investment in, advances to and commitments for the investee. In the event we are unable to obtain accurate financial information from the investee in a timely manner, we record our share of earnings or losses of such equity investment on a lag.

Non-marketable equity investments that are not accounted for under the equity method and that do not have a readily determinable fair value are accounted for under the measurement alternative. Under the measurement alternative, the carrying value is measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. Adjustments are determined primarily based on a market approach as of the transaction date. We classify our non-marketable equity investments as long-term assets on our consolidated balance sheet as those investments do not have stated contractual maturity dates.

On a quarterly basis, we perform a qualitative assessment considering impairment indicators to evaluate whether these investments are impaired. Qualitative factors considered include industry and market conditions, financial performance, business prospects, and other relevant events and factors. When indicators of impairment exist, we prepare a quantitative assessment of the fair value of our equity investments, which may include using both the market and income approaches which require judgment and the use of estimates, including discount rates, investee revenues and costs, and available comparable market data of private and public companies, among others. When our assessment indicates that an impairment exists, we measure our non-marketable equity investments at fair value.

Valuations of such privately-held companies are inherently complex and uncertain due to the lack of liquid market for such company's securities. In addition, such investments are inherently risky in that such companies are typically at an early stage of development, may have no or limited revenues, may not be or may never become profitable, may not be able to secure additional funding or their technologies, services or products may not be successfully developed or introduced into the market.

Business Combinations

We account for acquired businesses using the acquisition method of accounting which requires that tangible assets and identifiable intangible assets acquired and assumed liabilities be recorded at the date of acquisition at their respective fair values. Any excess purchase price over the estimated fair value of the net tangible and intangible assets acquired is allocated to goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets may include but are not limited to future expected cash flows from customer and supplier relationships, acquired technology and trade names from a market participant perspective, useful lives and discount rates. Management’s estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Valuations are performed by management or third-party valuation specialists under management's supervision, where appropriate. Any changes to provisional amounts identified during the measurement period, calculated as if the accounting had been completed as of the acquisition date, are recognized in the consolidated financial statements in the reporting period in which the adjustment amounts are determined.

Goodwill and Intangible Assets

Goodwill

We assess goodwill, which is not amortized, for impairment annually during the fourth quarter, or more frequently, if events and circumstances indicate impairment may have occurred. We test goodwill for impairment at the reporting unit level. Goodwill is assigned to reporting units that are expected to benefit from the synergies of the business combination in which such goodwill was generated as of the acquisition date. We evaluate our reporting units when changes in our operating structure occur, and if necessary, reassign goodwill using a relative fair value allocation approach. Once goodwill has been allocated to the reporting units, it no longer retains its identification with a particular acquisition and becomes identified with the reporting unit in its entirety. Accordingly, the fair value of the reporting unit as a whole is available to support the recoverability of its goodwill.

The Company has the option to qualitatively assess whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. In the evaluation of goodwill for impairment, we generally first perform a qualitative assessment to determine whether it is more likely than not (i.e., a likelihood of more than 50%) that the estimated fair value of the reporting unit is less than the carrying amount. Periodically, we may choose to forgo the initial qualitative assessment and proceed directly to a quantitative analysis to assist in our annual evaluation. When assessing goodwill for impairment, our decision to perform a qualitative impairment assessment for an individual reporting unit in a given year is influenced by a number of factors, including, but not limited to the size of the reporting unit's goodwill, the significance of the excess of the reporting unit's estimated fair value over carrying value at the last quantitative assessment date, the amount of time in between quantitative fair value assessments from the date of acquisition to establish an updated baseline quantitative analysis, and other performance and market indicators. During a qualitative assessment, if we determine that it is not more likely than not that the implied fair value of the goodwill is less than its carrying amount, no further testing is necessary. If, however, we determine that it is more likely than not that the implied fair value of the goodwill is less than its carrying amount, we then perform a quantitative assessment and compare the estimated fair value of the reporting unit to the carrying value. If the carrying value of a reporting unit exceeds its estimated fair value, the goodwill impairment is measured using the difference between the carrying value and the fair value of the reporting unit; however, any loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit.

In determining the estimated fair values of reporting units in a quantitative goodwill impairment test, we generally use a blend, of the following recognized valuation methods: the income approach (discounted cash flows model) and the market valuation approach, which we believe compensates for the inherent risks of using either model on a stand-alone basis. The discounted cash flows model indicates the fair value of the reporting units based on the present value of the cash flows that we expect the reporting units to generate in the future. Our significant estimates in the discounted cash flows model include: weighted average cost of capital; long-term rate of growth and profitability of the reporting unit; income tax rates and working capital effects. The market valuation approach indicates the fair value of the business based on a comparison to comparable publicly traded firms in similar lines of business and other precedent transactions. Our significant estimates in the market approach model include identifying similar companies with comparable business factors such as size, growth, profitability, risk and return on investment and assessing comparable revenue and/or income multiples in estimating the fair value of the reporting units. Valuations are performed by management or third-party valuation specialists under management's supervision, where appropriate. We believe that the estimated fair values assigned to our reporting units in impairment tests are based on reasonable assumptions that marketplace participants would use. However, such assumptions are inherently uncertain and actual results could differ from those estimates. The use of different assumptions, estimates or judgments could trigger the need for an impairment charge, or materially increase or decrease the amount of any such impairment charge.

Intangible Assets

Intangible assets with estimable useful lives, or definite-lived intangibles, are carried at cost and are amortized on a straight-line basis over their estimated useful lives and reviewed for impairment upon certain triggering events. We routinely review the remaining estimated useful lives of our definite-lived intangible assets. If we reduce the estimated useful life assumption, the remaining unamortized balance is amortized over the revised estimated useful life.

Intangible assets that have indefinite lives are not amortized and are tested for impairment annually during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Similar to the qualitative assessment for goodwill, we may assess qualitative factors to determine if it is more likely than not that the implied fair value of the indefinite-lived intangible asset is less than its carrying amount. If we determine that it is not more likely than not that the implied fair value of the indefinite-lived intangible asset is less than its carrying amount, no further testing is necessary. If, however, we determine that it is more likely than not that the implied fair value of the indefinite-lived intangible asset is less than its carrying amount, we compare the implied fair value of the indefinite-lived asset with its carrying amount. If the carrying amount of an individual indefinite-lived intangible asset exceeds its implied fair value, the individual asset is written down by an amount equal to such excess. The assessment of qualitative factors is optional and at our discretion. We may bypass the qualitative assessment for any indefinite-lived intangible asset in any period and resume performing the qualitative assessment in any subsequent period. We base our quantitative measurement of fair value of indefinite-lived intangible assets, using the relief-from-royalty method. This method assumes that the trade name and trademarks have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. This method requires us to estimate future revenues, the appropriate royalty rate and the weighted average cost of capital, however, such assumptions are inherently uncertain and actual results could differ from those estimates. The use of different assumptions, estimates or judgments could trigger the need for an impairment charge, or materially increase or decrease the amount of any such impairment charge.

Impairment of Long-Lived Assets

We periodically review the carrying amount of our definite-lived intangible assets and other long-term assets, including property and equipment and capitalized website development, to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the observable market value of an asset, among others. If such facts indicate a potential impairment, we assess the recoverability of the asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset of the group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we will estimate the fair value of the asset group using appropriate valuation methodologies which would typically include an estimate of discounted cash flows, using an appropriate discount rate. Any impairment would be measured by the amount that the carrying values, of such asset groups, exceed their fair value and would be included in operating income (loss) on the consolidated statement of operations. Considerable management judgment is necessary to estimate the fair value of asset groups. Accordingly, actual results could vary significantly from such estimates. We have not identified any circumstances that would warrant an impairment charge for any recorded definite-lived intangibles or other long-term assets on our consolidated balance sheets at December 31, 2021 or 2020.

Deferred Merchant Payables

In our Experiences and Rentals free-to-list offerings, we receive payment from travelers at the time of booking or prior to the experience date, and we record these amounts, net of our commissions, on our consolidated balance sheet as deferred merchant payables. We pay the operators, generally the third-party experience providers and vacation rental owners, after the travelers' use. Therefore, we receive payment from the traveler prior to paying the operator and this operating cycle represents a working capital source or use of cash to us. Our deferred merchant payables balance was $113 million and $36 million at December 31, 2021 and 2020, respectively, on our consolidated balance sheets. The increase in our deferred merchant payables during the year ended December 31, 2021 was primarily due to the ongoing recovery in the business from the impact of COVID-19 on our results of operations. Refer to "Note 4: *Revenue Recognition*" for further discussion of the impact COVID-19 had on our deferred merchant payables balance in our consolidated balance sheets.

Derivative Financial Instruments

We account for derivative instruments that do not qualify for hedge accounting as either assets or liabilities and carry them at fair value, with any subsequent adjustments to fair value recorded in other income (expense), net on our consolidated statements of operations. Monetary assets and liabilities denominated in a currency other than the functional currency of a given subsidiary are remeasured at spot rates in effect on the balance sheet date with the effects of changes in foreign currency exchange rates reported in other income (expense), net on our consolidated statements of operations. In certain circumstances, we enter into forward contracts to reduce, to the extent practical, our potential exposure to the effects of fluctuating foreign currency exchange rates on our cash flows denominated in foreign currencies. Accordingly, fair value changes in the forward contracts help mitigate the changes in the value of the remeasured assets and liabilities attributable to changes in foreign currency exchange rates, except to the extent of the spot-forward differences. These differences are not expected to be significant due to the short-term nature of the contracts, which to date, have typically had maturities at inception of 90 days or less. The net cash received or paid related to our derivative instruments are classified in other investing activities in our consolidated statements of cash flows. Counterparties to forward contracts consist of major international financial institutions. We monitor our positions and the credit ratings of the counterparties involved and, by policy limits, the amount of credit exposure to any one party. We do not use derivatives for trading or speculative purposes. We did not enter into any cash flow, fair value or net investment hedges during the years ended December 31, 2021, 2020 or 2019. Refer to "Note 5: *Financial Instruments and Fair Value Measurements"* for additional information on derivatives.

Foreign Currency Translation and Transaction Gains and Losses

Our consolidated financial statements are reported in U.S. dollars. Certain of our subsidiaries outside of the U.S. use the local currency as their functional currency and not the U.S. dollar. Therefore assets and liabilities of our foreign subsidiaries are translated at the spot rate in effect at the applicable reporting date, and the consolidated statements of operations are translated at the average exchange rates in effect during the applicable reporting period. The resulting unrealized cumulative translation adjustment is recorded as a component of accumulated other comprehensive income (loss) in stockholders' equity on our consolidated balance sheet.

In addition, our subsidiaries also engage in transactions in currencies other than its functional currency. Transactions denominated in currencies other than the functional currency are recorded based on foreign currency exchange rates at the time such transactions arise. Subsequent changes in foreign currency exchange rates result in transaction gains and losses which are reflected in our consolidated statements of operations as unrealized (based on the applicable period-end exchange rate) or realized upon settlement of the transactions. Accordingly, we have recorded net foreign currency exchange losses of $4 million and $2 million for the years ended December 31, 2021 and 2019, respectively, and a net foreign currency exchange gain of $5 million for the year ended December 31, 2020, in other income (expense), net on our consolidated statements of operations. These amounts also include transaction gains and losses, both realized and unrealized from forward contracts.

Fair Value Measurements and Disclosures

We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. We measure assets and liabilities at fair value based on the expected exit price, which is the amount that would be received on the sale of an asset or amount paid to transfer a liability, as the case may be, in an orderly transaction between market participants in the principal or most advantageous market in which we would transact. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability at the measurement date. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level. GAAP provides the following hierarchical levels of inputs used to measure fair value:

Level 1—Valuations are based on quoted market prices for identical assets and liabilities in active markets.

Level 2—Valuations are based on observable inputs other than quoted market prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Valuations are based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Debt Issuance Costs

We defer costs we incur to issue debt, which are presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability, and amortize these costs using the effective interest rate method to interest expense over the term of the debt. We also defer costs we incur to enter into or amend a revolving credit facility, which are presented in the balance sheet as a long-term asset, and amortize these costs using the effective interest rate method to interest expense over the term of the credit facility.

Certain Risks and Concentrations

In addition to the impact of COVID-19, which is discussed in "Note 1: *Organization and Business Description",* our business is subject to certain risks and concentrations, including a concentration related to dependence on our relationships with our customers. For the years ended December 31, 2021, 2020 and 2019 our two most significant travel partners, Expedia (and its subsidiaries) and Booking (and its subsidiaries), each accounted for 10% or more of our consolidated revenue and together accounted for approximately 34%, 25% and 33%, respectively, of our consolidated revenue, with nearly all of this revenue concentrated in our Hotels, Media & Platform segment. Additionally, our business is dependent on relationships with third-party service operators that we rely on to fulfill service obligations to our customers where the Company is the merchant of record, such as our experience providers and vacation rental owners. However, no one operator's inventory resulted in more than 10% of our revenue on a consolidated basis in any period presented. Refer to "Note 4: *Revenue Recognition"* and "Note 20: *Segment and Geographic Information"* for information regarding concentrations related to geographic and product revenues.

Financial instruments, which potentially subject us to concentration of credit risk at any point in time, generally consist, at any point in time; cash and cash equivalents, corporate debt securities, forward contracts, and accounts receivable. We maintain some cash balances with financial institutions that are in excess of Federal Deposit Insurance Corporation insurance limits. Our cash is generally composed of available on demand bank balances with financial institutions primarily denominated in U.S. dollars, Euros, British pounds, and Australian dollars. We invest in highly-rated corporate debt securities, and our investment policy limits the amount of credit exposure to any one issuer, industry group and currency. Our credit risk related to corporate debt securities is also mitigated by the relatively short maturity period required by our investment policy. Forward contracts are transacted with major international financial institutions with high credit standings, which to date, have typically had maturities of less than 90 days. Our overall credit risk related to accounts receivable is mitigated by the relatively short collection period.

Contingent Liabilities

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

Treasury Stock

Shares of our common stock repurchased are recorded at cost as treasury stock and result in the reduction of stockholders' equity on our consolidated balance sheet. We may reissue these treasury shares. When treasury shares are reissued, we use the average cost method for determining the cost of reissued shares. If the issuance price is higher than the cost, the excess of the issuance price over the cost is credited to additional paid-in-capital. If the issuance price is lower than the cost, the difference is first charged against any credit balance in additional paid-in-capital from the previous issuances of treasury stock and any remaining balance is charged to retained earnings.

Earnings Per Share ("EPS")

Refer to "Note 17: *Earnings Per Share"* for a discussion as to how we compute Basic EPS and Diluted EPS.

Recently Adopted Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which simplifies the accounting for convertible debt instruments by reducing the number of accounting models and embedded conversion features that could be recognized separately from the primary contract. The new accounting guidance requires a convertible debt instrument to be accounted for as a single liability measured at its amortized cost, as long as no other features require bifurcation and recognition as derivatives. The new accounting guidance requires an entity to use the if-converted method in the diluted earnings per share calculation for convertible instruments. This guidance is effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2021, with early adoption permitted, including adoption in any interim period. We early adopted this new guidance in the first quarter of 2021 and there was no impact to any prior periods. Refer to "Note 10: *Debt*" as the Company applied this guidance to its 2026 Senior Notes.

As of December 31, 2021, there are no other newly issued accounting standards expected to have a material impact on the Company's financial statements or disclosures.

NOTE 3: ACQUISITIONS AND OTHER INVESTMENTS

We had no material acquisitions during the years ended December 31, 2021 and 2020, respectively. During the year ended December 31, 2019, we acquired companies which were accounted for as purchases of businesses under the acquisition method, or GAAP. The fair value of purchase consideration has been allocated to tangible and identifiable intangible assets acquired and liabilities assumed, based on their respective fair values on the acquisition date, with the remaining amount recorded to goodwill. Acquired goodwill represents the premium we paid over the fair value of the net tangible and intangible assets acquired. We paid a premium in each of these transactions for a number of reasons, including expected operational synergies, the assembled workforces, and the future development initiatives of the assembled workforces. The results of each of these acquired businesses have been included in the consolidated financial statements beginning on the respective acquisition dates. Pro-forma results of operations for these acquisitions have not been presented as the financial impact to our consolidated financial statements, both individually and in aggregate, would not be materially different from historical results. Acquisition-related costs were expensed as incurred. For the year ended December 31, 2019, these costs were $2 million and are included in general and administrative expenses on our consolidated statement of operations.

2019 Acquisition of Businesses and Other Investments

During the year ended December 31, 2019, we completed three acquisitions with a total purchase price consideration of $109 million for 100% ownership of the following: (1) SinglePlatform, an online content management and syndication platform company based in the U.S. acquired in December 2019, (2) BookaTable, an online restaurant reservation and booking platform company based in the U.K. acquired in December 2019; and (3) Restorando, an online restaurant reservation and booking platform company based in Argentina acquired in February 2019. We paid cash consideration of $107 million, net of $2 million of cash acquired.

The aggregate purchase price consideration was allocated to the fair value of assets acquired and liabilities assumed. The following summarizes the final purchase price allocation, in millions:

		Total
Goodwill (1)	$	88
Intangible assets (2)		26
Net tangible assets (liabilities) (3)		(5)
Total purchase price consideration	$	109

(1) Goodwill of $53 million is not deductible for tax purposes.
(2) Identifiable definite-lived intangible assets acquired were comprised of trade names of $2 million with a weighted average life of 2 years, customer lists and supplier relationships of $10 million with a weighted average life of 8 years, subscriber relationships of $6 million with a weighted average life of approximately 3 years, and technology and other of $8 million with a weighted average life of approximately 6 years. The overall weighted-average life of the identifiable definite-lived intangible assets acquired in the purchase of these businesses was 6 years, and are being amortized on a straight-line basis over their estimated useful lives from acquisition date.
(3) Primarily includes cash acquired of $2 million, accounts receivable of $3 million, prepaid expenses and other current assets of $2 million and liabilities assumed of $10 million, including accounts payable, accrued expenses and other current liabilities, and deferred revenue, which reflect their respective fair values at acquisition.

During the year ended December 31, 2019, we also invested $2 million in the equity securities of a privately-held company. Refer to "Note 5: *Financial Instruments and Fair Value Measurements*" for further disclosure of our non-marketable investments.

NOTE 4: REVENUE RECOGNITION

We generate all of our revenue from contracts with customers. We recognize revenue when we satisfy a performance obligation by transferring control of the promised services to a customer in an amount that reflects the consideration that we expect to receive in exchange for those services. When we act as an agent in the transaction, we recognize revenue for only our commission on the arrangement. We determine revenue recognition through the following steps:

(1) Identification of the contract, or contracts, with a customer
(2) Identification of the performance obligations in the contract
(3) Determination of the transaction price
(4) Allocation of the transaction price to the performance obligations in the contract
(5) Recognition of revenue when, or as, we satisfy a performance obligation.

At contract inception, we assess the services promised in our contracts with customers and identify a performance obligation for each promise to transfer to the customer a service (or bundle of services) that is distinct. To identify the performance obligations, we consider all of the services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. We have provided qualitative information about our performance obligations for our principal revenue streams discussed below. There was no significant revenue recognized in the years ended December 31, 2021, 2020 and 2019 related to performance obligations satisfied in prior periods, respectively. We have applied a practical expedient and do not disclose the value of unsatisfied performance obligations that have an original expected duration of less than one year, and we do not have any material unsatisfied performance obligations over one year. The value related to our remaining or partially satisfied performance obligations relates to subscription services that are satisfied over time or services that are recognized at a point in time, but not yet achieved. Our timing of services, invoicing and payments are discussed in more detail below and do not include a significant financing component. Our customer invoices are generally due 30 days from the time of invoicing.

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. Although the substantial majority of our contract costs have an amortization period of less than one year, we have determined contract costs arising from certain sales incentives have an amortization period in excess of one year given the high likelihood of contract renewal. Sales incentives are not paid upon renewal of these contracts and therefore are not commensurate with the initial sales incentive costs. As of both December 31, 2021 and 2020, there were $4 million of unamortized contract costs in other long-term assets on our consolidated balance sheet. We amortize these contract costs on a straight-line basis over the estimated customer life, which is based on historical customer retention rates. Amortization expense recorded to selling and marketing expense on our consolidated statements of operations during each of the years ended December 31, 2021, 2020 and 2019, were $1 million. We assess such asset for impairment when events or circumstances indicate that the carrying amount may not be recoverable. No impairments were recognized during the years ended December 31, 2021, 2020 and 2019.

The recognition of revenue may require the application of judgment related to the determination of the performance obligations, the timing of when the performance obligations are satisfied and other areas. The determination of our performance obligations does not require significant judgment given that we generally do not provide multiple services to a customer in a transaction, and the point in which control is transferred to the customer is readily determinable. In instances where we recognize revenue over time, we generally have either a subscription service that is recognized over time on a straight-line basis using the time-elapsed output method, or based on other output measures that provide a faithful depiction of the transfer of our services. When an estimate for cancellations is included in the transaction price, we base our estimate on historical cancellation rates and current trends. Taxes assessed by a government authority that are both imposed on and concurrent with a specific revenue–producing transaction, that are collected by us from a customer, are reported on a net basis, or in other words excluded from revenue on our consolidated financial statements.

The application of our revenue recognition policies and a description of our principal activities, organized by segment, from which we generate our revenue, are presented below.

Hotels, Media & Platform Segment

Tripadvisor-branded Hotels Revenue. Our largest source of Hotels, Media & Platform segment revenue is generated from click-based advertising on Tripadvisor-branded websites, or hotel auction revenue, which is primarily comprised of contextually-relevant booking links to our travel partners' websites. Our click-based travel partners are predominantly OTAs and hotels. Click-based advertising is generally priced on a cost-per-click, or "CPC", basis, with payments from travel partners determined by the number of travelers who click on a link multiplied by the CPC rate for each specific click. CPC rates are determined in a dynamic, competitive auction process, where our travel partner CPC bids for rates and availability to be listed on our platform are submitted. When a CPC bid is submitted, the travel partner agrees to pay us the bid amount each time a traveler clicks on the link to that travel partner's websites. Bids can be submitted periodically – as often as daily – on a property-by-property basis. We record click-based advertising revenue as the click occurs and traveler leads are sent to the travel partner websites as our performance obligation is fulfilled at that time. Click-based revenue is generally billed to our travel partners on a monthly basis consistent with the timing of the service. We also generate revenue from our cost-per-action, or "CPA" model, which consists of contextually-relevant booking links to our travel partners' websites which are advertised on our platform. We earn a commission from our travel partners, based on a pre-determined contractual commission rate, for each traveler who clicks to and books a hotel reservation on the travel partners' website, which results in a traveler stay. CPA revenue is billable only upon the completion of each traveler's stay resulting from a hotel reservation. The travel partners provide the service to the travelers and we act as an agent under ASC 606 – Revenue from Contracts with Customers ("ASC 606"). Our performance obligation is complete at the time of the hotel reservation booking, and the commission earned is recognized upon booking, as we have no post-booking service obligations. We recognize this revenue net of an estimate of the impact of cancellations, using historical cancellation rates and current trends. Contract assets are recognized at the time of booking for commissions that are billable at the time of stay. CPA revenue is generally billed to our travel partners on a monthly basis consistent with the timing of the service.

In addition, we offer hotel business to business ("B2B") solutions, including subscription-based advertising to hotels, owners of B&Bs and other specialty lodging properties. Our performance obligation is generally to enable subscribers to advertise their businesses on our platform, as well as to manage and promote their website URL, email address, phone number, special offers and other information related to their business. Subscription-based advertising services are predominantly sold for a flat fee for a contracted period of time of one year or less and revenue is recognized on a straight-line basis over the period of the subscription service as efforts are expended evenly throughout the contract period. Subscription-based advertising services are generally billed at the inception of the service. When prepayments are received, we recognize deferred revenue initially on our consolidated balance sheet for the amount of prepayment in excess of revenue recognized, until the performance obligation is satisfied. To a lesser extent, we offer travel partners the opportunity to advertise and promote their business through hotel sponsored placements on our platform. This service is generally priced on a CPC basis, with payments from travel partners determined by the number of travelers who click on the sponsored link multiplied by the CPC rate for each specific click. CPC rates for hotel sponsored placements that our travel partners pay are generally based on bids submitted as part of an auction by our travel partners. When a CPC bid is submitted, the travel partner agrees to pay us the bid amount each time a traveler clicks on a link to our travel partner's websites. Bids may be submitted periodically – as often as daily – on a property-by-property basis. We record this click-based advertising revenue as the click occurs and traveler leads are sent to the travel partner as our performance obligation is fulfilled at that time. Hotel sponsored placements revenue is generally billed to our travel partners on a monthly basis consistent with the timing of the service.

Tripadvisor-branded Display and Platform Revenue. We offer travel partners the ability to promote their brands through display-based advertising placements on our platform across all of our segments and business units. Our display-based advertising clients are predominantly direct suppliers of hotels, airlines and cruises, as well as destination marketing organizations. We also sell display-based advertising to OTAs and other travel related businesses, as well as advertisers from non-travel categories. Display-based advertising is sold predominantly on a cost per thousand impressions, or CPM, basis. The performance obligation in our display-based advertising arrangements is to display a number of advertising impressions on our platform and we recognize revenue for impressions as they are delivered. Services are generally billed monthly. We have applied the practical expedient to measure progress toward completion, as we have the right to invoice the customer in an amount that directly corresponds with the value to the customer of our performance to date, which is measured based on impressions delivered.

Experiences & Dining Segment

We provide information and services that allow travelers to research and book tours, activities and attractions in popular travel destinations in our Viator online marketplace. We also power travel tours, activities and attractions booking capabilities to travelers on third-party distribution partner websites, including the Tripadvisor platform, and some of the world's top airlines, hotel chains, and online and offline travel agencies.

We work with local tour, activities, and attraction operators (the "operator") to provide travelers (the "customer") the ability to book tours, activities and attractions (the "experience") in destinations worldwide. We generate commissions for each booking transaction we facilitate through our online reservation system, in exchange for certain activities, including the use of the Company's booking platform, post-booking customer support (24/7) until the time of the experience and payment processing activities as merchant of record, which is the completion of the performance obligation. These activities are not distinct from each other and are not separate performance obligations. As a result, the Company's single performance obligation is to facilitate an experience, which is complete upon the time the experience occurs, and when revenue is recognized. We do not control the experience or have inventory risk before the operator provides the experience to our customer and therefore act as agent for substantially all of these transactions under ASC 606.

We collect payment from the customer prior to the experience occurring, which includes both our commission and the amount due to the operator. We record our commissions as deferred revenue on our consolidated balance sheet when payment is received, including amounts which are refundable subject to cancellation, until the experience occurs when revenue is recognized. The amount due to the operator is recorded as deferred merchant payables on our consolidated balance sheet until completion of the experience when payment is made to the operator.

To a much lesser extent, we earn commissions from third-party merchant partners (the "customer") who display and promote on their websites the operator experiences available on our platform to generate bookings. In these transactions, where we are not the merchant of record, and we generally invoice and receive commissions directly from the third-party merchant partners. Our performance obligation is to allow the third-party distribution partners to display and promote on their website experiences, offered by operators who utilize our platform, and we earn a commission when travelers book and complete an experience on the third-party merchant partner website. We do not control the service or have inventory risk, and therefore act as an agent for these transactions under ASC 606. We receive payment shortly after the booking in the majority of these transactions and make payments to the operators after the experience is complete. Our performance obligation is complete, and revenue is recognized at the time of the booking, as we have no post-booking obligations to the customer. We recognize this revenue net of an estimate of the impact of cancellations, which is not material, using historical cancellation rates and current trends. Contract assets are recognized for commissions that are contractually billable contingent upon completion of the experience.

We also provide information and services for consumers to research and book restaurant reservations in popular travel destinations through our dedicated online restaurant reservations offering, TheFork, and on our Tripadvisor-branded websites and mobile apps. We primarily generate transaction fees (or per seated diner fees) that are paid by our restaurant customers for diners seated primarily from bookings through TheFork's online reservation system. The transaction fee is recognized as revenue after the reservation is fulfilled, or as diners are seated by our restaurant customers. We invoice restaurants monthly for transaction fees. To a lesser extent, we also generate subscription fees for subscription-based advertising to restaurants, access to certain online reservation management services, marketing analytic tools, and menu syndication services provided by TheFork and Tripadvisor. As the performance obligation is to provide restaurants with access to these services over the subscription period, subscription fee revenue is recognized over the period of the subscription service on a straight-line basis as efforts are expended evenly throughout the contract period. Subscription fees are generally billable in advance of service. When prepayments are received, we recognize deferred revenue initially on our consolidated balance sheet, for the amount of prepayment in excess of revenue recognized until the performance obligation is satisfied. In addition, we also offer restaurant partners the opportunity to advertise and promote their business through restaurant media advertising placements on our platform. This service is generally priced on a CPC basis, with payments from restaurant partners determined by the number of consumers who click on the sponsored link multiplied by the CPC rate for each specific click. CPC rates for media advertising placements that our restaurant partners pay are based on a pre-determined contractual rate. We record this click-based advertising revenue as the click occurs and diner leads are sent to the restaurant partner as our performance obligation is fulfilled at that time. Click-based revenue is generally billed to our restaurant partners on a monthly basis consistent with the timing of the service.

Other

We provide information and services that allow travelers to research and book vacation and short-term rental properties, including full homes, condominiums, villas, beach properties, cabins and cottages. Our Rentals offering primarily generates revenue by offering individual property owners and managers the ability to list their properties on our platform thereby connecting with travelers through a free-to-list, commission-based option. These properties are listed on www.flipkey.com, www.holidaylettings.co.uk, www.housetrip.com, www.niumba.com, and www.vacationhomerentals.com, and on our Tripadvisor-branded websites and mobile apps. We earn commissions associated with rental transactions through our free-to-list model from both the traveler, and the property owner or manager. We provide post-booking service to the travelers, property owners and managers until the time the rental commences, which is the time the performance obligation is completed. Revenue from transaction fees is recognized at the time that the rental commences. We act as an agent, under ASC 606, in the transactions as we do not control any properties before the property owner provides the accommodation to the traveler and do not have inventory risk. We generally collect payment from the traveler at the time of booking, representing the amount due to the property owner or manager, as well as our commission. That portion of the payment representing our commission is recorded as deferred revenue on our consolidated balance sheet until revenue is recognized, and that portion of the payment representing the amount due to the property owner is recorded as deferred merchant payables on our consolidated balance sheet until payment is made to the property owner after the completion of the rental.

In addition, Other also includes revenue generated from flights, cruises, and car offerings on Tripadvisor-branded websites and mobile apps and Tripadvisor's portfolio of travel media brands, which primarily includes click-based advertising and display-based advertising revenue. The performance obligations, timing of customer payments for these offerings, and methods of revenue recognition are generally consistent with click-based advertising and display-based advertising revenue, as described above.

Practical Expedients and Exemptions

We expense costs to obtain a contract as incurred, such as sales incentives, when the amortization period would have been one year or less.

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

Disaggregation of Revenue

We disaggregate revenue from contracts with customers into major products/revenue sources. We have determined that disaggregating revenue into these categories achieves the disclosure objective to depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. As noted in "Note 20: *Segment and Geographic Information*", our business consists of two reportable segments – (1) Hotels, Media & Platform; and (2) Experiences & Dining. Other consists of a combination of business units, and does not constitute a reportable segment.

A reconciliation of disaggregated revenue to segment revenue is also included below.

	Year ended December 31,		
	2021	2020	2019
Major products/revenue sources (1):		(in millions)	
Hotels, Media & Platform			
Tripadvisor-branded hotels	$ 452	$ 292	$ 779
Tripadvisor-branded display and platform	97	69	160
Total Hotels, Media & Platform	549	361	939
Experiences & Dining	307	186	456
Other	46	57	165
Total Revenue	$ 902	$ 604	$ 1,560

(1) Our revenue is recognized primarily at a point in time for all reported segments.

Contract Balances

The following table provides information about the opening and closing balances of accounts receivable and contract assets, net of allowance for credit losses, from contracts with customers (in millions):

	December 31, 2021	December 31, 2020
Accounts receivable	$ 105	$ 70
Contract assets	37	13
Total	$ 142	$ 83

Accounts receivable are recognized when the right to consideration becomes unconditional. Contract assets are rights to consideration in exchange for services that we have transferred to a customer when that right is conditional on something other than the passage of time, such as commission payments that are contingent upon the completion of the service by the principal in the transaction. The difference between the opening and closing balances of our contract assets primarily results from the timing difference between when we satisfy our performance obligations and the time when the principal completes the service in the transaction. Our contract assets increased during 2021 as a result of the ongoing recovery of consumer travel demand, and increased utilization of our CPA model by travel partners.

During the year ended December 31, 2021, bad debt expense recorded to our allowance for expected credit losses on accounts receivable and contract assets decreased by $14 million, when compared to the same period in 2020, primarily due to improved collection trends with our customers as the travel industry recovers. Actual future bad debt could differ materially from this estimate resulting from changes in our assumptions of the duration and ultimate severity of the impact of COVID-19, including existing variants (i.e. Delta and Omicron) and/or new variants, if any.

Contract liabilities generally include payments received in advance of performance under the contract, and are realized as revenue as the performance obligation to the customer is satisfied, which we present as deferred revenue on our consolidated balance sheets. As of January 1, 2021 and 2020, we had $28 million and $62 million, respectively, recorded as deferred revenue on our consolidated balance sheets, of which $23 million and $51 million, respectively, was recognized in revenue and $4 million and $11 million was refunded due to cancellations by travelers during the years ended December 31, 2021 and 2020, respectively. The difference between the opening and closing balances of our deferred revenue primarily results from the timing differences between when we receive customer payments and the time in which we satisfy our performance obligations.

There were no significant changes in contract assets or deferred revenue during the years ended December 31, 2021 and 2020 related to business combinations, impairments, cumulative catch-ups or other material adjustments. However, to the extent the COVID-19 pandemic continues and/or new variants continue to emerge, we may incur additional significant and unanticipated cancellations by consumers related to future travel, accommodations and experience bookings, which have been reserved by travelers and recorded as deferred revenue on our consolidated balance sheet as of December 31, 2021.

NOTE 5: FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

We had no financial assets or liabilities measured at fair value on a recurring basis as of December 31, 2021 and 2020.

Cash, Cash Equivalents and Marketable Securities

As of December 31, 2021 and 2020, we had $723 million and $418 million of cash and cash equivalents, respectively, which consisted of available on demand cash deposits in major global financial institutions. We had no outstanding investments classified as either short-term or long-term marketable securities as of December 31, 2021 and 2020, respectively, and no material realized gains or losses related to the sales of any marketable securities for the years ended December 31, 2021, 2020 and 2019.

We generally classify any existing cash equivalents and marketable securities within Level 1 and Level 2 as we value these financial instruments using quoted market prices (Level 1) or alternative pricing sources (Level 2). The valuation technique we use to measure the fair value of money market funds is derived from quoted prices in active markets for identical assets or liabilities. Fair values for Level 2 investments are considered “Level 2” valuations because they are obtained from independent pricing sources for identical or comparable instruments, rather than direct observations of quoted prices in active markets. Our procedures include controls to ensure that appropriate fair values are recorded, including comparing the fair values obtained from our independent pricing services against fair values obtained from another independent source.

Derivative Financial Instruments

We generally use forward contracts to reduce the effects of foreign currency exchange rate fluctuations on our cash flows primarily for the Euro versus the U.S. Dollar. For the periods ended December 31, 2021, 2020 and 2019, respectively, our forward contracts have not been designated as hedges and generally had maturities of less than 90 days. Our outstanding or unsettled forward contracts were carried at fair value on our consolidated balance sheets at December 31, 2021 and 2020. We measure the fair value of our outstanding or unsettled derivatives using Level 2 fair value inputs, as we use a pricing model that takes into account the contract terms as well as current foreign currency exchange rates in active markets. We recognize any gain or loss resulting from the change in fair value of our forward contracts in other income (expense), net on our consolidated statement of operations. We recorded a net gain of $2 million, $1 million, and $1 million for the years ended December 31, 2021, 2020 and 2019, respectively, related to our forward contracts.

The following table shows the net notional principal amounts of our outstanding derivative instruments for the periods presented:

	December 31, 2021	December 31, 2020
	(in millions)	
Foreign currency exchange-forward contracts (1)(2)	$ 9	$ 3

(1) Derivative contracts address foreign currency exchange fluctuations for the Euro versus the U.S. dollar. These outstanding derivatives are not designated as hedging instruments and have an original maturity period of 90 days or less.

(2) The fair value of our outstanding derivatives as of December 31, 2021 and 2020, respectively, was not material. The notional amount of a forward contract is the contracted amount of foreign currency to be exchanged and is not recorded on the consolidated balance sheet.

Other Financial Assets and Liabilities

As of December 31, 2021 and 2020, financial instruments not measured at fair value on a recurring basis including accounts payable, accrued expenses and other current liabilities, and deferred merchant bookings, were carried at cost on our consolidated balance sheets, which approximates their fair values because of the short-term nature of these items. Accounts receivable and contract assets, on our consolidated balance sheets, as well as certain other financial assets, were measured at amortized cost and are carried at cost less an allowance for expected credit losses to present the net amount expected to be collected.

The following table shows the aggregate principal and fair value amount of our outstanding 2025 Senior Notes and 2026 Senior Notes as of the periods presented, which are classified as long-term debt on our consolidated balance sheets, and considered Level 2 fair value measurements. Refer to "Note 10: *Debt*" for additional information related to our 2025 Senior Notes and 2026 Senior Notes.

	December 31, 2021	December 31, 2020
	(in millions)	
2025 Senior Notes		
Aggregate principal amount	$ 500	$ 500
Carrying value amount (1)	493	491
Fair value amount (2)	531	542
2026 Senior Notes		
Aggregate principal amount	$ 345	$ —
Carrying value amount (3)	340	—
Fair value amount (2)	305	—

(1) Net of $7 million and $9 million of unamortized debt issuance costs as of December 31, 2021 and 2020, respectively.

(2) We estimate the fair value of our outstanding 2025 Senior Notes and 2026 Senior Notes based on recently reported market transactions and/or prices for identical or similar financial instruments obtained from a third-party pricing source.
(3) Net of $5 million in unamortized debt issuance costs.

The Company did not have any assets or liabilities measured at fair value on a recurring basis using Level 3 unobservable inputs at both December 31, 2021 and December 31, 2020.

Assets Measured at Fair Value on a Non-recurring Basis

Non-Marketable Investments

Equity Securities Accounted for under the Equity Method

In November 2019, the Company and Ctrip Investment Holding Ltd, a majority-owned subsidiary of Trip.com Group Limited, entered into an agreement to combine certain assets in China through the creation of a new entity, Chelsea Investment Holding Company PTE, Ltd. Tripadvisor contributed a portion of its business in China, including a long-term exclusive brand and content license and other assets, in return for a 40% equity investment in Chelsea Investment Holding Company PTE Ltd. This investment resulted in the Company recording an initial equity method investment of $41 million and a $39 million deferred income liability attributable to the brand and content license in the fourth quarter of 2019. The Company expects to earn the deferred income ratably over a 15-year period, congruent with the initial term of the brand and content license, and recorded in other income (expense), net on the consolidated statement of operations.

The Company accounts for this minority investment under the equity method, given it has the ability to exercise significant influence over, but not control, the investee. The carrying value of this minority investment was $34 million and $38 million as of December 31, 2021 and 2020, respectively, and is included in non-marketable investments on our consolidated balance sheets. During the years ended December 31, 2021, 2020 and 2019, we recognized $3 million, $3 million and $1 million, respectively, representing our share of the investee's net loss in other income (expenses), net within the consolidated statements of operations. The Company evaluates this investment for impairment when factors indicate that a decline in the value of its investment has occurred and the carrying amount of its investment may not be recoverable. An impairment loss, based on the excess of the carrying value over the estimated fair value of the investment based on Level 3 inputs, is recognized in earnings when an impairment is deemed to be other than temporary. Due to the COVID-19 pandemic and ongoing operating losses, we performed a qualitative assessment to evaluate whether this equity investment is impaired as of December 31, 2021. During the years ended December 31, 2021, 2020 and 2019, respectively, we did not record any impairment loss on this equity investment. The remaining deferred income liability of $34 million is presented in accrued expenses and other current liabilities and other long-term liabilities on our consolidated balance sheet of $3 million and $31 million, respectively as of December 31, 2021.

During the year ended December 31, 2020, the Company entered into various commercial agreements with Chelsea Investment Holding Company PTE Ltd. and/or its subsidiaries. Transactions under these agreements with the equity method investee are considered related-party transactions, and were not material for the years ended December 31, 2021 and 2020, respectively.

Other Equity Investments

We also hold a minority investment in equity securities of a privately-held company, which is at an early stage of development and does not have a readily determinable fair value. As of both December 31, 2021 and 2020, the total carrying value of this investment was $2 million, and included in non-marketable investments on our consolidated balance sheets.

Our policy is to measure these equity investments at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer such observable price changes may include instances where the investee issues equity securities to new investors, thus creating a new indicator of fair value, as an example. On a quarterly basis, we perform a qualitative assessment considering impairment indicators, if any, to evaluate whether these investments are impaired and also monitor for any observable price changes. During the years ended December 31, 2021, 2020, and 2019, we did not record any impairment loss on our equity investments or note any observable price change indicators.

Other Long-Term Assets

In June 2020, the Company was issued collateralized notes (the "Notes Receivable") with a total principal amount of $20 million from a privately-held company, in exchange for an existing equity investment held in the investee by the Company, and other-long term receivables, net, which the Company held due from the same investee. The Company has classified the Notes Receivable as held-to-maturity, as the Company has concluded it has the positive intent and ability to hold the Notes Receivable until maturity, with 50% due in 5 years and remaining 50% due in 10 years from issuance date. The Company has since recorded a $5 million and $3 million allowance for credit losses under ASC 326 during the years ended December 31, 2021 and 2020, respectively, in other income (expense), net on the consolidated statement of operations, related to the Notes Receivable. As of December 31, 2021 and 2020, the carrying value of the Notes Receivable was $9 million and $14 million, respectively, net of accumulated allowance for credit losses, and is classified in other long-term assets on our consolidated balance sheet at amortized cost. On a quarterly basis, we perform a qualitative assessment considering impairment indicators to evaluate whether the Notes Receivable are impaired and monitor for changes to our allowance for credit losses.

Other non-financial assets, such as property and equipment, goodwill, intangible assets, and operating lease right-of-use assets are adjusted to fair value when an impairment charge is recognized or the underlying investment is sold. Such fair value measurements are based predominately on Level 3 inputs. Refer to "Note 6: *Property and Equipment, Net*", "Note 7: *Leases*" and "Note 8: *Goodwill and Intangibles Assets, Net*" for additional information regarding those assets.

NOTE 6: PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following for the periods presented:

	December 31, 2021	December 31, 2020
	(in millions)	
Capitalized website development	$ 416	$ 371
Finance lease right-of-use asset	114	114
Leasehold improvements	48	49
Computer equipment and purchased software	77	71
Furniture, office equipment and other	20	21
	675	626
Less: accumulated depreciation	(460)	(386)
Total	$ 215	$ 240

As of December 31, 2021 and December 31, 2020, the carrying value of our capitalized website development costs, net of accumulated amortization, was $97 million and $108 million, respectively. For the years ended December 31, 2021, 2020 and 2019, we capitalized $55 million, $63 million and $79 million, respectively, related to website development costs. For the years ended December 31, 2021, 2020 and 2019, we recorded amortization of capitalized website development costs of $64 million, $67 million and $63 million, respectively, which is included in depreciation expense on our consolidated statements of operations for those years.

NOTE 7: LEASES

We determine whether a contract is or contains a lease at inception of a contract. We define a lease as a contract, or part of a contract, that conveys the right to control the use of identified property or equipment (an identified asset) for a period of time in exchange for consideration. Control over the use of the identified asset means that we have both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset.

Our lease contracts contain both lease and non-lease components which we combine as a single component under our accounting policy by asset class, except for office space leases and certain other leases, such as colocation data center leases, which we account separately for the lease and non-lease components. For leases which the consideration in the contract is allocated to lease and non-lease components, we base it on each component's relative standalone price. We determine standalone prices for the lease components based on the prices for which other lessors lease similar assets on a standalone basis. We determine standalone prices for the non-lease component based on the prices that third-party suppliers charge for services for similar assets on a standalone basis. If observable standalone prices are not readily available, we estimate the standalone prices based on other available observable information. However, for certain categories of equipment leases, such as network equipment and others, we account for the lease and non-lease components as a single lease component. Additionally, for certain equipment leases that have similar characteristics, we apply a portfolio approach to effectively account for operating lease right-of-use ROU assets and operating lease liabilities.

The Company uses its estimated incremental borrowing rate as the discount rate in measuring the present value of our lease payments given the rate implicit in our leases is not typically readily determinable. Given we do not currently borrow on a collateralized basis, our incremental borrowing rate is estimated to approximate the interest rate in which the Company would expect to pay on a collateralized basis over a similar term and payments, and in economic environments where the leased asset is located. We use the portfolio approach to determine the discount rate for leases with similar characteristics or when the Company is reasonably certain that doing so would not materially affect the accounting for those leases to which a single discount rate is applied.

We establish assets and liabilities for the estimated construction costs incurred under lease arrangements where we are considered the owner for accounting purposes only, or build-to-suit leases, to the extent we are involved in the construction of structural improvements or take construction risk prior to commencement of a lease. Upon occupancy of facilities under build-to-suit leases, we assess whether these arrangements qualify for sales recognition under the sale-leaseback accounting guidance under GAAP. If we continue to be the deemed owner, for accounting purposes, the facilities are accounted for as finance obligations.

Operating Leases

Our office space leases, exclusive of our Headquarters Lease, are operating leases, which we lease an aggregate of approximately 430,000 square feet at approximately 35 locations across North America, Europe, Asia Pacific and South America, in cities such as New York, London, Sydney, Barcelona, Buenos Aires and Paris, primarily used as sales offices, subsidiary headquarters, and for international operations, pursuant to leases with various expiration dates, with the latest expiring in June 2027.

Operating lease ROU assets and liabilities are recognized at lease commencement date, or the date the lessor makes the leased asset available for use, based on the present value of lease payments over the lease term using the Company's estimated incremental borrowing rate. ROU assets associated with operating leases comprise the initial lease liability, and are then adjusted for any prepaid or deferred rent payments, unamortized initial direct costs, and lease incentives received. Amortization expense for operating lease ROU assets and interest accretion on operating lease liabilities are recognized as a single operating lease cost in our consolidated statement of operations, which results effectively in recognition of rent expense on a straight-line basis over the lease period. The carrying amount of operating lease liabilities are (1) accreted to reflect interest using the incremental borrowing rate if the rate implicit in the lease is not readily determinable; and (2) reduced to reflect lease payments made during the period. We present the combination of both the amortization of operating lease ROU assets and the change in the operating lease liabilities in the same line item within the adjustments to reconcile net income (loss) to net cash provided by operating activities in our consolidated statement of cash flows. Lease incentives are recognized as reductions of rental expense on a straight-line basis over the term of the lease. Certain of our operating leases include options to extend the lease terms for up to 6 years and/or terminate the leases within 1 year, which we include in our lease term if we are reasonably certain to exercise these options. Payments under our operating leases are primarily fixed, however, certain of our operating lease agreements include rental payments which are adjusted periodically for inflation. We recognize these costs as variable lease costs on our consolidated statement of operations, which were not material during the years ended December 31, 2021, 2020 and 2019. In addition, our short-term lease costs were not material in any period presented.

We also establish assets and liabilities at the present value of estimated future costs to return certain of our leased facilities to their original condition to satisfy any asset retirement obligations. Such assets are depreciated over the lease period into operating expense, and the recorded liabilities are accreted to the future value of the estimated restoration costs and are included in other long-term liabilities on our consolidated balance sheet. Our asset retirement obligations were not material as of both December 31, 2021 and December 31, 2020.

Finance Lease

Finance lease ROU assets and finance lease liabilities are recognized at the lease commencement date or the date the lessor makes the leased asset available for use. Finance lease ROU assets are generally amortized on a straight-line basis over the lease term, and the carrying amount of finance lease liabilities are (1) accreted to reflect interest using the incremental borrowing rate if the rate implicit in the lease is not readily determinable, and (2) reduced to reflect lease payments made during the period. Amortization expense for finance lease ROU assets and interest accretion on finance lease liabilities are recorded to depreciation and interest expense, respectively, in our consolidated statement of operations.

We lease approximately 280,000 square feet of office space for our corporate headquarters in Needham, Massachusetts, or Headquarters Lease. Our Headquarters Lease, has an expiration date of December 2030, with an option to extend the lease term for two consecutive terms of five years each. Our Headquarters Lease was accounted for as a finance lease upon the adoption of ASC 842 on January 1, 2019.

Operating and finance lease assets and liabilities are included on our consolidated balance sheet as follows for the periods presented:

	Presentation on Consolidated Balance Sheet	December 31, 2021	December 31, 2020
		(in millions)	
Noncurrent Lease Assets:			
Finance lease	Property and equipment, net	$ 86	$ 95
Operating lease	Operating lease right-of-use-assets	42	54
	Total lease assets	$ 128	$ 149
Current Lease Liabilities:			
Finance lease	Accrued expenses and other current liabilities	$ 6	$ 5
Operating lease	Accrued expenses and other current liabilities	20	21
	Total current lease liabilities	26	26
Noncurrent Lease Liabilities:			
Finance lease	Finance lease liability, net of current portion	65	71
Operating lease	Operating lease liabilities, net of current portion	29	46
	Total noncurrent lease liabilities	94	117
	Total lease liabilities	$ 120	$ 143

As of December 31, 2021, we did not have any additional operating or finance leases that have not yet commenced but that create significant rights and obligations for us.

The components of lease expense were as follows for the periods presented:

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Operating lease cost (1)	$ 21	$ 28	$ 24
Finance lease cost:			
Amortization of right-of-use assets (2)	$ 10	$ 10	$ 9
Interest on lease liabilities (3)	4	4	4
Total finance lease cost	$ 14	$ 14	$ 13
Sublease income (1)	(5)	(3)	(3)
Total lease cost, net	$ 30	$ 39	$ 34

(1) Operating lease costs, net of sublease income, are included within operating expenses in our consolidated statements of operations.
(2) Amount is included in depreciation expense in our consolidated statements of operations.
(3) Amount is included in interest expense in our consolidated statements of operations.

Additional information related to our leases is as follows for the periods presented:

	Year ended December 31,		
	2021	2020	2019
Supplemental Cash Flows Information:		(in millions)	
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash outflows from operating leases	$ 25	$ 26	$ 26
Operating cash outflows from finance lease	3	4	4
Financing cash outflows from finance lease	6	6	5
Right-of-use assets obtained in exchange for lease liabilities:			
Operating leases (1)	$ 6	$ 4	$ 106
Finance lease (2)	—	—	88

(1) Amount related to 2019 includes operating leases, recognized upon adoption of ASC 842 on January 1, 2019 of $88 million, and those that commenced during the year ended December 31, 2019 of $18 million.
(2) Amount related to 2019 represents the finance lease obligation arising from obtaining the ROU asset related to our Headquarters Lease, which was recognized upon the adoption of ASC 842 on January 1, 2019.

	Year ended December 31,	
	2021	2020
Weighted-average remaining lease term:		
Operating leases	3.0 years	3.7 years
Finance lease	9.0 years	10.0 years
Weighted-average discount rate:		
Operating leases	3.71%	3.99%
Finance lease	4.49%	4.49%

Future lease payments under non-cancelable leases as of December 31, 2021 were as follows:

Year Ending December 31,	Operating Leases	Finance Lease
	(in millions)	
2022	$ 23	$ 9
2023	15	9
2024	9	9
2025	3	10
2026	2	10
Thereafter	—	39
Total future lease payments	52	86
Less imputed interest	(3)	(15)
Total lease liabilities	$ 49	$ 71

NOTE 8: GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

During the Company's annual goodwill impairment test in the fourth quarter of 2021, a qualitative assessment was performed for all our reporting units. We determined that it was not more likely than not that the fair value of any reporting unit was less than its carrying value, and, accordingly, no impairment charges were recorded during the year ended December 31, 2021. As part of our qualitative assessment for our 2021 goodwill impairment analysis of our reporting units, the factors that we considered included, but were not limited to: (a) changes in macroeconomic conditions in the overall economy and the specific markets in which we operate, (b) our ability to access capital, (c) changes in the online travel industry, (d) changes in the level of competition, (e) evaluation of current and future forecasted financial results of the reporting units, (f) comparison of our current financial performance to historical and budgeted results of the reporting units, (g) change in excess of the Company's market capitalization over its book value, (h) changes in estimates, valuation inputs, and/or assumptions since the last quantitative analysis of the reporting units, (i) changes in the regulatory environment; (j) changes in strategic outlook or organizational structure and leadership of the reporting units; and (k) other relevant factors, and how these factors might impact specific performance in future periods.

Although our annual impairment testing did not result in any impairment, due to the COVID-19 environment and our inability to predict the expected duration and ultimate severity of the impact of COVID-19, or the impact of existing variants (i.e. Delta and/or Omicron) or new variants, if any, we will continue to monitor our financial performance, stock price and other events and circumstances that may indicate a negative impact to the estimated fair values of our reporting units to determine if future impairment assessments may be necessary. A continued and prolonged duration, and/or decline in the outlook for future revenue and cash flows or other factors, related to COVID-19 or other events, could result in a determination that a non-cash impairment adjustment is required, which could be material.

The following table summarizes our goodwill activity by reportable segment for the periods presented:

	Hotels, Media & Platform	Experiences & Dining	Other (5)	Total
		(in millions)		
Balance as of December 31, 2019	$ 405	$ 333	$ 102	$ 840
Re-allocation of goodwill (1)	2	—	(2)	—
Impairment (2)	—	—	(3)	(3)
Disposition (3)	—	—	(6)	(6)
Foreign currency translation adjustments	—	21	2	23
Other adjustments (4)	—	8	—	8
Balance as of December 31, 2020	$ 407	$ 362	$ 93	$ 862
Foreign currency translation adjustments	—	(18)	(1)	(19)
Balance as of December 31, 2021	$ 407	$ 344	$ 92	$ 843

(1) Re-allocation of goodwill as a result of changes to reporting units related to internal restructuring during the second quarter of 2020.
(2) Represents a goodwill impairment charge related to our Tripadvisor China reporting unit.
(3) Disposition relates to the sale of our SmarterTravel business.
(4) Other adjustments primarily relate to an immaterial business acquisition in our Experiences & Dining reportable segment.
(5) Other consists of the combination of Rentals, Flights & Car, and Cruises, and does not constitute a reportable segment.

During the third quarter of 2020, the Company recognized a goodwill impairment charge of $3 million, which represented all of the goodwill previously allocated to our Tripadvisor China reporting unit. This impairment was driven by strategic operating decisions made by the Company in the third quarter of 2020. Consequently, Tripadvisor China was no longer considered a reporting unit as of December 31, 2020. There were no goodwill impairment charges recognized to our consolidated statements of operations during the years ended December 31, 2021 and 2019, respectively. As of both December 31, 2021 and 2020, accumulated goodwill impairment losses totaled $3 million, which was associated with Other.

Intangibles

Intangible assets, acquired in business combinations and recorded at fair value on the date of purchase, consisted of the following for the periods presented:

	December 31, 2021	December 31, 2020
	(in millions)	
Intangible assets with definite lives	$ 237	$ 262
Less: accumulated amortization	(202)	(206)
Intangible assets with definite lives, net	35	56
Intangible assets with indefinite lives	30	30
Total	$ 65	$ 86

Amortization expense for definite-lived intangible assets was $20 million, $26 million, and $33 million, for the years ended December 31, 2021, 2020 and 2019, respectively.

Our indefinite-lived intangible assets relate to trade names and trademarks. During the Company's annual indefinite-lived intangible impairment test during the fourth quarter of 2021, a qualitative assessment was performed. As part of our qualitative assessment we considered, amongst other factors, the amount of excess fair value of our trade names and trademarks to the carrying value of those same assets, changes in estimates, and valuation input assumptions, since our previous quantitative analysis. After considering these factors and the impact that changes in such factors would have on the inputs used in our previous quantitative assessment, we determined that it was more likely than not that our indefinite-lived intangible assets were not impaired as of December 31, 2021.

There were no impairment charges recognized to our consolidated statements of operations for the years ended December 31, 2021, 2020 and 2019 related to our intangible assets.

The following table presents the components of our intangible assets with definite lives for the periods presented:

		December 31, 2021			December 31, 2020		
	Weighted Average Remaining Life (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
			(in millions)			(in millions)	
Trade names and trademarks	2.8	$ 55	$ (43)	$ 12	$ 59	$ (41)	$ 18
Customer lists and supplier relationships	5.2	99	(87)	12	104	(83)	21
Subscriber relationships	2.2	40	(36)	4	42	(35)	7
Technology and other	3.4	43	(36)	7	57	(47)	10
Total	3.7	$ 237	$ (202)	$ 35	$ 262	$ (206)	$ 56

Refer to "Note 3: *Acquisitions and Other Investments*" above for a discussion of definite lived intangible assets acquired in business combinations during the years ended December 31, 2021, 2020 and 2019.

Our definite-lived intangible assets are being amortized on a straight-line basis. The straight-line method of amortization is currently our best estimate, or approximates to date, the distribution of the economic use of these intangible assets.

The estimated amortization expense for intangible assets with definite lives for each of the next five years, and the expense thereafter, assuming no subsequent impairment of the underlying assets or change in estimate of remaining lives, is expected to be as follows (in millions):

2022	$ 13
2023	9
2024	6
2025	4
2026	2
2027 and thereafter	1
Total	$ 35

NOTE 9: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following for the periods presented:

	December 31, 2021	December 31, 2020
	(in millions)	
Accrued salary, bonus, and other employee-related benefits	$ 58	$ 49
Accrued marketing costs	27	13
Interest payable (1)	16	18
Current income taxes payable (2)	3	1
Finance lease liability - current portion (3)	6	5
Operating lease liabilities - current portion (3)	20	21
Other	51	53
Total	$ 181	$ 160

(1) Amount relates primarily to unpaid interest accrued on our 2025 Senior Notes. Refer to "Note 10: *Debt*" for further information.
(2) Refer to "Note 12: *Income Taxes*" for further information regarding our income tax liabilities.
(3) Refer to "Note 7: *Leases*" for further information regarding our lease obligations.

NOTE 10: DEBT

The Company's outstanding debt consisted of the following for the periods presented:

December 31, 2021	Outstanding Principal Amount	Unamortized Debt Issuance Costs	Carrying Value
	(in millions)		
Long-Term Debt:			
2025 Senior Notes	$ 500	$ (7)	$ 493
2026 Senior Notes	345	(5)	340
Total Long-Term Debt	$ 845	$ (12)	$ 833

December 31, 2020	Outstanding Principal Amount	Unamortized Debt Issuance Costs	Carrying Value
	(in millions)		
Long-Term Debt:			
2025 Senior Notes	$ 500	$ (9)	$ 491
Total Long-Term Debt	$ 500	$ (9)	$ 491

Credit Facility

We are party to a credit agreement with a group of lenders initially entered into in June 2015 (as amended, the "Credit Agreement"), which, among other things, provides for a $500 million unsecured revolving credit facility (the "Credit Facility") with a maturity date of May 12, 2024. The Credit Facility, among other things, requires us to maintain a maximum leverage ratio and contains certain customary affirmative covenants and events of default, including a change of control.

We amended the Credit Facility in May 2020 and December 2020 to, among other things:

- suspend the leverage ratio covenant for quarterly testing of compliance beginning in the second quarter of 2020, replacing it with a minimum liquidity covenant through June 30, 2021 (requiring the Company to maintain $150 million of unrestricted cash, cash equivalents and short-term investments less deferred merchant payables plus available revolver capacity), until the earlier of (a) the first day after June 30, 2021 through maturity on which borrowings and other revolving credit utilizations under the revolving commitments exceed $200 million, and (b) the election of the Company, at which time the leverage ratio covenant will be reinstated (the "Leverage Covenant Holiday");
- decrease the aggregate amount of revolving loan commitments available to $500 million from $1.2 billion;
- extend the maturity date of the Credit Facility from May 12, 2022 to May 12, 2024; and
- secure the obligations under the agreement.

The Company remained in the Leverage Covenant Holiday as of December 31, 2021. During the Leverage Covenant Holiday, any outstanding or future borrowings under the Credit Facility bear interest at LIBOR plus a 2.25% margin with a LIBOR floor of 1% per annum. We are required to pay a quarterly commitment fee, at an applicable rate of 0.5%, on the daily unused portion of the Credit Facility for each fiscal quarter during the Leverage Covenant Holiday and also additional fees in connection with the issuance of letters of credit. The Company may borrow from the Credit Facility in U.S. dollars and Euros. In addition, our Credit Facility includes $15 million of borrowing capacity available for letters of credit and $40 million for Swing Line borrowings on same-day notice. As of December 31, 2021, we had issued $3 million of outstanding letters of credit under the Credit Facility.

As of both December 31, 2021 and 2020, the Company had no outstanding borrowings under the Credit Facility. During the first quarter of 2020, the Company borrowed $700 million under the Credit Facility. These funds were drawn down as a precautionary measure to reinforce the Company's liquidity position and preserve financial flexibility in light of uncertainty in the global markets resulting from COVID-19. The Company repaid these borrowings in full in July 2020.

We recorded interest and commitment fees on our Credit Facility of $3 million, $10 million and $2 million for the years ended December 31, 2021, 2020 and 2019, respectively, to interest expense on our consolidated statements of operations. In connection with the amendments to our Credit Facility in 2020, we incurred additional lender fees and debt financing costs totaling $7 million, which were capitalized as deferred financing costs and recorded to other long-term assets on the consolidated balance sheet, while $2 million of previously deferred financing costs related to the Credit Facility were immediately recognized to interest expense on our consolidated statement of operations for the year ended December 31, 2020. As of December 31, 2021, the Company had $4 million remaining in deferred financing costs in connection with the Credit Facility. These costs will be amortized over the remaining term of the Credit Facility, using the effective interest rate method, and recorded to interest expense on our consolidated statement of operations.

There is no specific repayment date prior to the maturity date for any borrowings under the Credit Agreement. We may voluntarily repay any outstanding borrowing under the Credit Facility at any time without premium or penalty, other than customary breakage costs with respect to Eurocurrency loans. Additionally, the Company believes that the likelihood of the lender exercising any subjective acceleration rights, which would permit the lenders to accelerate repayment of any outstanding borrowings, is remote. As such, we classify any borrowings under this facility as long-term debt. The Credit Agreement contains a number of covenants that, among other things, restrict our ability to incur additional indebtedness, create liens, enter into sale and leaseback transactions, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions, make investments, loans or advances, prepay certain subordinated indebtedness, make certain acquisitions, engage in certain transactions with affiliates, amend material agreements governing certain subordinated indebtedness, and change our fiscal year. The Credit Agreement also limits the Company from repurchasing shares of its common stock and paying dividends, among other restrictions, during the Leverage Covenant Holiday. In addition, to secure the obligations under the Credit Agreement, the Company and certain subsidiaries have granted security interests and liens in and on substantially all of their assets as well as pledged shares of certain of the Company's subsidiaries. The Credit Agreement also contains certain customary affirmative covenants and events of default, including a change of control. If an event of default occurs, the lenders under the Credit Agreement will be entitled to take various actions, including the acceleration of all amounts due under the Credit Facility. As of December 31, 2021 and 2020, we were in compliance with our covenants.

2025 Senior Notes

On July 9, 2020, the Company completed the sale of $500 million aggregate principal amount of 7.0% Senior Notes due 2025 (the "2025 Senior Notes"), pursuant to a purchase agreement, dated July 7, 2020, among the Company, the guarantors party thereto and the initial purchasers party thereto in a private offering to qualified institutional buyers. The 2025 Senior Notes were issued pursuant to an indenture, dated July 9, 2020 (the "2025 Indenture"), among the Company, the guarantors and the trustee. The 2025 Indenture provides, among other things, that interest will be payable on the 2025 Senior Notes semiannually on January 15 and July 15 of each year, which began on January 15, 2021, and continue until their maturity date of July 15, 2025. The 2025 Senior Notes are senior unsecured obligations of the Company and are guaranteed by certain of the Company's domestic subsidiaries.

The Company has the option to redeem all or a portion of the 2025 Senior Notes at any time on or after July 15, 2022 at the redemption prices set forth in the 2025 Indenture, plus accrued and unpaid interest, if any. The Company may also redeem all or any portion of the 2025 Senior Notes at any time prior to July 15, 2022, at a price equal to 100% of the aggregate principal amount thereof plus a make-whole premium and accrued and unpaid interest, if any. In addition, before July 15, 2022, the Company may redeem up to 40% of the aggregate principal amount of the 2025 Senior Notes with the net proceeds of certain equity offerings at the redemption price set forth in the 2025 Indenture, provided that certain conditions are met. Subject to certain limitations, in the event of a Change of Control Triggering Event (as defined in the 2025 Indenture), the Company will be required to make an offer to purchase the 2025 Senior Notes at a price equal to 101% of the aggregate principal amount of the 2025 Senior Notes repurchased, plus accrued and unpaid interest, if any, to the date of repurchase. These features have been evaluated as embedded derivatives under GAAP; however, the Company has concluded they do not meet the requirements to be accounted for separately.

As of December 31, 2021 and 2020, unpaid interest on our 2025 Senior Notes totaled approximately $16 million and $17 million, respectively, and was included in accrued expenses and other current liabilities on our consolidated balance sheets, and $35 million and $17 million was recorded as interest expense on our consolidated statements of operations for the years ended December 31, 2021 and 2020, respectively. In the third quarter of 2020, the Company used all proceeds from the 2025 Senior Notes to repay a portion of our Credit Facility outstanding borrowings.

The 2025 Indenture contains covenants that, among other things and subject to certain exceptions and qualifications, restrict the ability of the Company and the ability of certain of its subsidiaries to incur or guarantee additional indebtedness or issue disqualified stock or certain preferred stock; pay dividends and make other distributions or repurchase stock; make certain investments; create or incur liens; sell assets; create restrictions affecting the ability of restricted subsidiaries to make distributions, loans or advances or transfer assets to the Company or the restricted subsidiaries; enter into certain transactions with the Company's affiliates; designate restricted subsidiaries as unrestricted subsidiaries; and merge, consolidate or transfer or sell all or substantially all of the Company's assets.

2026 Senior Notes

On March 25, 2021, we entered into a purchase agreement for the sale of $300 million aggregate principal amount of 0.25% Convertible 2026 Senior Notes due 2026 (the "2026 Senior Notes") in a private offering to qualified institutional buyers. The 2026 Senior Notes included of an over-allotment option that provided the initial purchasers of the 2026 Senior Notes with the option to purchase an additional $45 million aggregate principal amount of the 2026 Senior Notes; such over-allotment option was fully exercised. In connection with the issuance of the 2026 Senior Notes, the Company entered into an Indenture, dated March 25, 2021 (the "2026 Indenture"), among the Company, the guarantors party thereto and the trustee. The terms of the 2026 Senior Notes are governed by the 2026 Indenture. The 2026 Senior Notes mature on April 1, 2026, unless earlier converted, redeemed or repurchased. The 2026 Senior Notes are senior unsecured obligations of the Company, although guaranteed by certain of the Company's domestic subsidiaries, with interest payable semiannually in arrears on April 1 and October 1 of each year, which began on October 1, 2021. As of December 31, 2021, unpaid interest on our 2026 Senior Notes was not material.

The 2026 Senior Notes will be redeemable, in whole or in part, at our option at any time, and from time to time, on or after April 1, 2024 and on or before the 30th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the 2026 Senior Notes to be redeemed, plus accrued and unpaid interest, if any, but only if the last reported sale price per share of our common stock exceeds 130% of the conversion price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date we send the related redemption notice; and (2) the trading day immediately before the date we send such notice. In addition, calling any such note for redemption will constitute a make-whole fundamental change with respect to that note, in which case the conversion rate applicable to the conversion of that note will be increased in certain circumstances if it is converted after it is called for redemption.

The 2026 Senior Notes are unconditionally guaranteed, on a joint and several basis, by the guarantors on a senior, unsecured basis. The 2026 Senior Notes are our general senior unsecured obligations and rank equally in right of payment with all of our existing and future senior indebtedness, and senior in right of payment to all of our future subordinated indebtedness. The 2026 Senior Notes will be effectively subordinated to any of our existing and future secured indebtedness, including borrowings under our Credit Facility, to the extent of the value of the assets securing such indebtedness.

Holders may convert their 2026 Senior Notes at any time prior to the close of business on the business day immediately preceding January 1, 2026, in multiples of $1,000 principal amount, only under the following conditions and circumstances:

- during any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per $1,000 principal amount of 2026 Senior Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; or
- upon the occurrence of specified corporate events as described in the 2026 Indenture.

In addition, holders may convert their 2026 Senior Notes, in multiples of $1,000 principal amount, at their option at any time beginning on or after January 1, 2026, and prior to the close of business on the second scheduled trading day immediately preceding the stated maturity date of the 2026 Senior Notes, without regard to the foregoing circumstances.

The initial conversion rate for the 2026 Senior Notes is 13.5483 shares of common stock per $1,000 principal amount of 2026 Senior Notes, which is equivalent to an initial conversion price of approximately $73.81 per share of common stock, or approximately 4.7 million shares of common stock, subject to adjustment upon the occurrence of certain specified events as set forth in the 2026 Indenture. Upon conversion, the Company may choose to pay or deliver, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock.

The Company accounts for the 2026 Senior Notes as a liability measured at its amortized cost, and no other features of the 2026 Senior Notes are bifurcated and recognized as a derivative. The proceeds from the issuance of the 2026 Senior Notes were approximately $340 million, net of debt issuance costs of $5 million comprised primarily of the initial purchasers' discount, and the Company used a portion of the proceeds from the 2026 Senior Notes to enter into capped call transactions, as discussed below. The Company intends to use the remainder of the proceeds from this offering for general corporate purposes, which may include repayment of debt, including the partial redemption and/or purchase of our 2025 Senior Notes prior to maturity. The debt issuance costs will be amortized over the remaining term of the 2026 Senior Notes, using the effective interest rate method, and recorded to interest expense on our consolidated statement of operations. During the year ended December 31, 2021, our effective interest rate on our 2026 Senior Notes, including debt issuance costs, was approximately 0.53%, and $1 million was recorded as interest expense on our consolidated statement of operations for the year ended December 31, 2021.

The 2026 Senior Notes are unsecured and do not contain any financial covenants, restrictions on dividends, incurrence of senior debt or other indebtedness, or restrictions on the issuance or repurchase of securities by the Company.

Capped Call Transactions

In connection with the issuance of the 2026 Senior Notes, the Company entered into privately negotiated capped call transactions (the "Capped Calls") with certain of the initial purchasers of the 2026 Senior Notes and/or their respective affiliates and/or other financial institutions (the "Option Counterparties") at a cost of approximately $35 million. The Capped Calls are separate transactions entered into by the Company with each of the Option Counterparties, and are not part of the terms of the 2026 Senior Notes and therefore will not affect any noteholder's rights under the 2026 Senior Notes. Noteholders will not have any rights with respect to the Capped Calls.

The Capped Calls cover, subject to anti-dilution adjustments, substantially similar to those applicable to the conversion rate of the 2026 Senior Notes, the number of shares of common stock initially underlying the 2026 Senior Notes, or up to approximately 4.7 million shares of our common stock. The Capped Calls are expected generally to reduce potential dilution to the common stock upon any conversion of 2026 Senior Notes and/or offset any potential cash payments the Company is required to make in excess of the principal amount of such converted 2026 Senior Notes, as the case may be, with such reduction and/or offset subject to a cap. The strike price of the

Capped Calls is $73.81, while the cap price of the Capped Calls will initially be $107.36 per share of our common stock, which represents a premium of 100% over the close price of our common stock of $53.68 per share on March 22, 2021 and is subject to certain customary adjustments under the terms of the Capped Calls.

The Capped Calls are considered indexed to our own stock and are considered equity classified under GAAP, and included as a reduction to additional paid-in-capital within stockholders' equity on the consolidated balance sheet as of December 31, 2021. The Capped Calls are not accounted for as derivatives and their fair value is not remeasured each reporting period. In addition, we recorded a deferred tax asset of $9 million associated with the Capped Calls on our consolidated balance sheet as of December 31, 2021, as we made an income tax election allowable under the IRS regulations in order to recover the cost of the Capped Calls as interest expense for income tax purposes only over the term of the 2026 Senior Notes.

NOTE 11: OTHER LONG-TERM LIABILITIES

Other long-term liabilities consisted of the following for the periods presented:

	December 31, 2021	December 31, 2020
	(in millions)	
Unrecognized tax benefits (1)	$ 177	$ 178
Deferred gain on equity method investment (2)	31	33
Long-term income taxes payable	2	3
Other	5	9
Total	$ 215	$ 223

(1) Refer to "Note 12: *Income Taxes*" for information on our unrecognized tax benefits. Amounts include accrued interest related to this liability.

(2) Amount relates to long-term portion of a deferred income liability recorded as a result of an equity method investment made in the fourth quarter of 2019. Refer to "Note 5: *Financial Instruments and Fair Value Measurements*" for additional information.

NOTE 12: INCOME TAXES

The following table presents a summary of our domestic and foreign income (loss) before income taxes for the periods presented:

	Year Ended December 31,		
	2021	2020	2019
		(in millions)	
Domestic	$ (127)	$ (262)	$ 92
Foreign	(58)	(107)	102
Income (loss) before income taxes	$ (185)	$ (369)	$ 194

The components of our provision (benefit) for income taxes consisted of the following for the periods presented:

	Year Ended December 31,		
	2021	2020	2019
		(in millions)	
Current income tax expense (benefit):			
Federal	$ 6	$ (73)	$ 31
State	(1)	(3)	5
Foreign	2	(3)	26
Current income tax expense (benefit)	7	(79)	62
Deferred income tax expense (benefit):			
Federal	(21)	13	25
State	(5)	(10)	7
Foreign	(18)	(4)	(26)
Deferred income tax expense (benefit)	(44)	(1)	6
Provision (benefit) for income taxes	$ (37)	$ (80)	$ 68

The significant components of our deferred tax assets and deferred tax liabilities consisted of the following for the periods presented:

	December 31,	
	2021	2020
	(in millions)	
Deferred tax assets:		
Stock-based compensation	$ 31	$ 31
Net operating loss carryforwards	102	81
Provision for accrued expenses	4	4
Lease financing obligation	20	23
Foreign advertising spend	15	15
Tax credit carryforward	12	5
Interest carryforward	71	32
Other	15	15
Total deferred tax assets	$ 270	$ 206
Less: valuation allowance	(123)	(106)
Net deferred tax assets	$ 147	$ 100
Deferred tax liabilities:		
Intangible assets	$ (51)	$ (53)
Property and equipment	(22)	(24)
Prepaid expenses	(3)	(2)
Building - corporate headquarters	(17)	(20)
Other	(1)	(1)
Total deferred tax liabilities	$ (94)	$ (100)
Net deferred tax asset (liability)	$ 53	$ —

At December 31, 2021, we had federal, state, and foreign net operating loss carryforwards ("NOLs") of approximately $45 million, $239 million, and $343 million, respectively. U.S. federal NOLs of $41 million may be carried forward indefinitely, and U.S. federal NOLs of $4 million expire at various times starting from 2029. State NOLs of $28 million may be carried forward indefinitely, and state NOLs of $211 million expire at various times starting from 2023. Foreign NOLs of $317 million may be carried forward indefinitely, and foreign NOLs of $26 million expire at various times starting from 2022.

As of December 31, 2021, we had a valuation allowance of approximately $123 million related to certain NOL carryforwards and other foreign deferred tax assets for which it is more likely than not, the tax benefit will not be realized. This amount represented an increase of $17 million, as compared to the balance as of December 31, 2020. The increase was primarily related to additional foreign NOLs.

Except for such foreign deferred tax assets, discussed above, we expect to realize all of our deferred tax assets. During the year ended December 31, 2021, the Company performed an analysis to determine if it was more likely than not that it would be able to utilize, in future periods, the net deferred tax assets associated with its U.S. net operating loss carryforward. Although the U.S. has incurred cumulative pre-tax losses in fiscal 2021 and prior two years, the Company has concluded that the positive evidence outweighs the negative evidence and, thus, that the deferred tax assets not otherwise subject to a valuation allowance are realizable on a more likely than not basis. As such, we did not record a valuation allowance at December 31, 2021. Positive evidence includes our strong history of earnings prior to the COVID-19 pandemic, the 2020 U.S. taxable loss carryback as a result of the CARES Act, as well as expected future taxable income in which we believe we will utilize the deferred tax assets. Due to the COVID-19 environment and our limited ability to predict the expected duration and ultimate severity of the impact of COVID-19, we will continue to monitor our financial performance to determine if valuation allowance against our deferred tax assets may be necessary in the future.

During the year ended December 31, 2021, we determined that $15 million of a deferred tax asset within our U.K. subsidiary was more likely than not realizable, resulting in an income tax benefit in our consolidated statement of operations. We determined that the positive evidence, principally our U.K. subsidiaries' forecasts of future taxable income combined with no longer incurring current interest expense in the U.K. that will be subject to limitation, outweighed the negative evidence, resulting in the valuation allowance release. Release of the remaining valuation allowance would result in a benefit to income tax expense for the period the release is recorded, which could have a material impact on net earnings. The timing and amount of any potential valuation allowance release is subject to significant management judgment, as well as prospective earnings.

A reconciliation of the (benefit) provision for income taxes to the amounts computed by applying the statutory federal income tax rate to income (loss) before income taxes is as follows for the periods presented:

	Year Ended December 31,		
	2021	2020	2019
		(in millions)	
Income tax expense at the federal statutory rate	$ (39)	$ (77)	$ 40
Foreign rate differential	(14)	(9)	(16)
State income taxes, net of effect of federal tax benefit	(2)	(11)	9
Unrecognized tax benefits and related interest	4	4	11
Change in cost-sharing treatment of stock-based compensation	—	—	15
FDII, GILTI and other provisions	—	—	(3)
Rate differential on US NOL carryback (1)	—	(23)	—
Research tax credit	(7)	(9)	(11)
Stock-based compensation	(1)	14	4
Change in valuation allowance	8	25	6
Local income tax on intercompany transaction (2)	—	1	7
Executive compensation	6	6	3
Other, net	8	(1)	3
Provision (benefit) for income taxes	$ (37)	$ (80)	$ 68

(1) As a result of the CARES Act, an income tax benefit of $23 million was recorded during the year ended December 31, 2020 related to the income tax rate differential in tax years applicable to U.S. loss carryforwards that became eligible for carryback.

(2) During 2019, we completed an intra-entity transfer from China to Singapore of certain IP. As a result of the transfer, we utilized NOLs and consequently released the valuation allowance on certain deferred tax assets on our China entity.

The CARES Act made tax law changes to provide financial relief to companies as a result of the business impacts of COVID-19. Key income tax provisions of the CARES Act include changes in NOL carryback and carryforward rules, increase of the net interest expense deduction limit, and immediate write-off of qualified improvement property. The CARES Act allowed the Company to carryback our U.S. federal NOLs incurred in 2020, generating an expected U.S. federal tax benefit of $76 million, of which $48 million will be refunded. This refund is recorded in income taxes receivable on our consolidated balance sheet as of December 31, 2021 and is expected to be received during 2022. As a result of the 2020 U.S. federal NOL carryback, we also reduced our long-term transition tax payable related to the 2017 Tax Act by $28 million.

In addition, certain governments have passed legislation to help businesses during the COVID-19 pandemic through loans, wage subsidies, wage tax relief or other financial aid. Some of these governments have extended or are considering extending these programs. We have participated in several of these programs, including the CARES Act in the U.S., the United Kingdom's job retention scheme, as well as similar programs in other jurisdictions. In addition, in certain countries, such as within the European Union, Singapore, Australia, and other jurisdictions, we are also participating in programs where government assistance is in the form of wage subsidies and reductions in wage-related employer taxes paid by us. During the years ended December 31, 2021 and 2020, we recognized government grants and other assistance benefits of $9 million and $12 million, respectively. These amounts are not income tax related and were recorded as a reduction of personnel and overhead costs in the consolidated statements of operations.

Due to the one-time transition tax on the deemed repatriation of undistributed foreign subsidiary earnings and profits in 2017, the majority of previously unremitted earnings have been subjected to U.S. federal income tax. To the extent future distributions from these subsidiaries will be taxable, a deferred tax liability has been accrued which was not material as of December 31, 2021. As of December 31, 2021, $427 million of our cumulative undistributed foreign earnings were no longer considered to be indefinitely reinvested.

For purposes of governing certain of the ongoing relationships between Tripadvisor and Expedia at and after the Spin-Off, and to provide for an orderly transition, Tripadvisor and Expedia entered into various agreements at the time of the Spin-Off, which Tripadvisor has satisfied its obligations. However, Tripadvisor continues to be subject to certain post Spin-Off obligations under the Tax Sharing Agreement. Under the Tax Sharing Agreement between Tripadvisor and Expedia, Tripadvisor is generally required to indemnify Expedia for any taxes resulting from the Spin-Off (and any related interest, penalties, legal and professional fees, and all costs and damages associated with related stockholder litigation or controversies) to the extent such amounts resulted from (i) any act or failure to act by Tripadvisor described in the covenants in the tax sharing agreement, (ii) any acquisition of Tripadvisor equity securities or assets or those of a member of the Tripadvisor group, or (iii) any failure of the representations with respect to Tripadvisor or any member of our group to be true or any breach by Tripadvisor or any member of the Tripadvisor group of any covenant, in each case, which is contained in the separation documents or in the documents relating to the IRS private letter ruling and/or the opinion of counsel. The full text of the Tax Sharing Agreement is incorporated by reference in this Annual Report on Form 10-K as Exhibit 10.2.

By virtue of consolidated income tax returns previously filed with Expedia, we are currently under an IRS audit for the 2009, 2010 and short-period 2011 tax years. We are separately under examination by the IRS for the short-period 2011, 2012 through 2016, and 2018 tax years, and have various ongoing audits for foreign tax years, including a 2012 through 2016 HMRC audit, as well as state income tax audits. These audits include questioning of the timing and the amount of income and deductions and the allocation of income among various tax jurisdictions. These examinations may lead to proposed or ordinary course adjustments to our taxes. We are no longer subject to tax examinations by tax authorities for years prior to 2009. As of December 31, 2021, no material assessments have resulted, except as noted below regarding our 2009, 2010, and 2011 IRS audit with Expedia, our 2012 through 2016 standalone IRS audit, and our 2012 through 2016 HMRC audit.

In January 2017 and April 2019, as part of the IRS audit of Expedia, we received Notices of Proposed Adjustment from the IRS for the 2009, 2010, and 2011 tax years. Subsequently, in September 2019, as part of our standalone audit, we received Notices of Proposed Adjustment from the IRS for the 2012 and 2013 tax years; and in August 2020, we received Notices of Proposed Adjustment from the IRS for the 2014, 2015, and 2016 tax years. These proposed adjustments are related to certain transfer pricing arrangements with our foreign subsidiaries, and would result in an increase to our worldwide income tax expense in an estimated range of $95 million to $105 million at the close of the audit if the IRS prevails, which includes $20 million to $30 million related to the 2009 through 2011 pre Spin-Off tax years. The estimated range takes into consideration competent authority relief and transition tax regulations, and is exclusive of deferred tax consequences and interest expense, which would be significant. We disagree with the proposed adjustments and we intend to defend our position through applicable administrative and, if necessary, judicial remedies. Our policy is to review and update tax reserves as facts and circumstances change. Based on our interpretation of the regulations and available case law, we believe the position we have taken with regard to transfer pricing with our foreign subsidiaries is sustainable. In addition to the risk of additional tax for 2009 through 2016 transactions, if the IRS were to seek transfer pricing adjustments of a similar nature for transactions in subsequent years, we would be subject to significant additional tax liabilities. We have requested competent authority assistance under the Mutual Agreement Procedure ("MAP") for tax years 2009 through 2016. We expect the competent authorities to present a resolution for the 2009 through 2011 tax years in the near future. Upon receipt, we will assess the resolution provided by the competent authorities as well as its impact on our existing income tax reserves for all open subsequent years.

In January 2021, we received from HMRC an issue closure notice relating to adjustments for 2012 through 2016 tax years. These proposed adjustments are related to certain transfer pricing arrangements with our foreign subsidiaries and would result in an increase to our worldwide income tax expense in an estimated range of $45 million to $55 million, exclusive of interest expense, at the close of the audit if HMRC prevails. We disagree with the proposed adjustments and we intend to defend our position through applicable administrative and, if necessary, judicial remedies. Our policy is to review and update tax reserves as facts and circumstances change. Based on our interpretation of the regulations and available case law, we believe the position we have taken with regard to transfer pricing with our foreign subsidiaries is sustainable.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits (excluding interest and penalties) is as follows during the periods presented:

	December 31, 2021	2020	2019
		(in millions)	
Balance, beginning of year	$ 144	$ 140	$ 136
Increases to tax positions related to the current year	5	3	11
Increases to tax positions related to the prior year	1	1	1
Decreases to tax positions related to the prior year	—	—	(8)
Settlements during current year	(6)	—	—
Balance, end of year	$ 144	$ 144	$ 140

As of December 31, 2021, we had $144 million of unrecognized tax benefits, net of interest, which is classified as long-term and included in other long-term liabilities and deferred income taxes, net on our consolidated balance sheet. The amount of unrecognized tax benefits, if recognized, would reduce income tax expense by $72 million, due to correlative adjustments in other tax jurisdictions. We recognize interest and penalties related to unrecognized tax benefits in income tax expense on our consolidated statement of operations. As of December 31, 2021 and 2020, total gross interest accrued was $39 million and $35 million, respectively, and was recorded in unrecognized tax benefits in other long-term liabilities on the consolidated balance sheets. We do not anticipate any material changes in the next year.

NOTE 13: COMMITMENTS AND CONTINGENCIES

As of December 31, 2021, we have contractual obligations and commercial commitments that include expected interest on our 2026 Senior Notes and 2025 Senior Notes, expected commitment fees on our Credit Facility, and long-term purchase obligations, as summarized in the table below. The expected amounts and timing of payments discussed below was estimated based on information available to us as of December 31, 2021.

		By Period			
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
			(in millions)		
Expected interest payments on 2025 Senior Notes (1)	$ 125	$ 35	$ 71	$ 19	$ —
Expected interest payments on 2026 Senior Notes (2)	4	1	2	1	—
Expected commitment fee payments on Credit Facility (3)	6	3	3	—	—
Purchase obligations and other (4)	45	18	24	2	1
Total (5)	$ 180	$ 57	$ 100	$ 22	$ 1

(1) Expected interest payments on our 2025 Senior Notes are based on a fixed interest rate of 7.0%, as of December 31, 2021 and assumes that our existing debt is repaid at maturity. Refer to "Note 10: *Debt"* for additional information on our 2025 Senior Notes.

(2) Expected interest payments on our 2026 Senior Notes are based on a fixed interest rate of 0.25%, as of December 31, 2021 and assumes that our existing debt is repaid at maturity. Refer to "Note 10: *Debt"* for additional information on our 2026 Senior Notes.

(3) Expected commitment fee payments are based on the daily unused portion of our Credit Facility, issued letters of credit, and the effective commitment fee rate as of December 31, 2021; however, these variables could change significantly in the future. Refer to "Note 10: *Debt*" for additional information on our Credit Facility.

(4) Estimated purchase obligations that are fixed and determinable, primarily related to telecommunication and licensing contracts, with various expiration dates through approximately June 2029. These contracts have non-cancelable terms or are cancelable only upon payment of significant penalty. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

(5) Excluded from the table was $3 million of undrawn standby letters of credit, primarily as security deposits for certain property leases as of December 31, 2021.

Legal Proceedings

In the ordinary course of business, we are party to regulatory and legal matters, including threats thereof, arising out of, or in connection with our operations. These matters may involve claims involving intellectual property rights (including privacy, alleged infringement of third-party intellectual property rights), tax matters (including value-added, excise, transient occupancy and accommodation taxes), regulatory compliance (including competition and consumer protection matters), defamation and reputational claims, personal injury claims, labor and employment matters and commercial disputes. Periodically, we review the status of all significant outstanding matters to assess any potential financial exposure. We record the estimated loss in our consolidated statements of operations when (i) it is probable that an asset has been impaired or a liability has been incurred; and (ii) the amount of the loss can be reasonably estimated and is material. We provide disclosures in the notes to the consolidated financial statements for loss contingencies that do not meet both of these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the consolidated financial statements. We base accruals on the best information available at the time which can be highly subjective. Although occasional adverse decisions or settlements may occur, we do not believe that the final disposition of any of these matters will have a material adverse effect on our business. However, the final outcome of these matters could vary significantly from our estimates. Finally, there may be claims or actions pending or threatened against us of which we are currently not aware and the ultimate disposition of which could have a material adverse effect on us. All legal fees incurred by the Company related to any regulatory and legal matters are expensed in the period incurred.

Income and Non-Income Taxes

We are under audit by the IRS and various other domestic and foreign tax authorities with regards to income tax and non-income tax matters. We have reserved for potential adjustments that may result from examinations by, or any negotiated agreements with, these tax authorities. Although we believe our tax estimates are reasonable, the final determination of audits could be materially different from our historical tax provisions and accruals. The results of an audit could have a material effect on our financial position, results of operations, or cash flows in the period for which that determination is made. Refer to "Note 12: *Income Taxes*" for further information on potential contingencies surrounding income taxes.

NOTE 14: EMPLOYEE BENEFIT PLANS

Retirement Savings Plan

The Tripadvisor Retirement Savings Plan (the "401(k) Plan"), qualifies under Section 401(k) of the Internal Revenue Code. The 401(k) Plan allows participating employees, which includes most of our U.S. employees, to make contributions of a specified percentage of their eligible compensation. Participating employees may contribute up to 50% of their eligible salary on a pre-tax basis, but not more than statutory limits. Employee-participants age 50 and over may also contribute an additional amount of their salary on a pre-tax tax basis up to the IRS Catch-Up Provision Limit (or "catch-up contributions"). Employees may also contribute into the 401(k) Plan on an after-tax basis up (or "Roth 401(k) contributions") to an annual maximum of 10%. The 401(k) Plan has an automatic enrollment feature at 6% pre-tax. We match 50% of the first 6% of employee contributions to the plan for a maximum employer contribution of 3% of a participant's eligible earnings. The catch-up contributions are not eligible for employer matching contributions. The matching contributions portion of an employee's account, vests after two years of service. Additionally, at the end of the 401(k) Plan year, we make a discretionary matching contribution to eligible participants. This additional discretionary matching employer contribution (or "true up") is limited to match only contributions up to 3% of eligible compensation.

We also have various defined contribution plans for our non-U.S. employees. Our contribution to the 401(k) Plan and our non-U.S. defined contribution plans which are recorded in our consolidated statements of operations for the years ended December 31, 2021, 2020 and 2019 were $10 million, $11 million, and $14 million, respectively.

Tripadvisor, Inc. Deferred Compensation Plan for Non-Employee Directors

The Company has a Deferred Compensation Plan for Non-Employee Directors (the "Deferred Compensation Plan"). Under the Deferred Compensation Plan, eligible directors who defer their directors' fees may elect to have such deferred fees (i) applied to the purchase of share units, representing the number of shares of our common stock that could have been purchased on the date such fees would otherwise be payable, or (ii) credited to a cash fund. The cash fund will be credited with interest at an annual rate equal to the weighted average prime or base lending rate of a financial institution selected in accordance with the terms of the Deferred Compensation Plan and applicable law. Upon termination of service as a director of Tripadvisor, a director will receive (i) with respect to share units, such number of shares of our common stock as the share units represent, and (ii) with respect to the cash fund, a cash payment. Payments upon termination will be made in either one lump sum or up to five annual installments, as elected by the eligible director at the time of the deferral election.

Under the Deferred Compensation Plan, 100,000 shares of Tripadvisor common stock are available for issuance to non-employee directors. From the inception of the Deferred Compensation Plan through December 31, 2021, a total of 557 shares have been issued for such purpose.

Tripadvisor, Inc. Executive Severance Plan and Summary Plan Description

The Company also maintains its Executive Severance Plan and Summary Plan Description (the "Severance Plan") which is applicable to certain employees of the Company and its subsidiaries. The Severance Plan formalizes and standardizes the Company's severance practices for certain designated employees (each, a "Participant" and, collectively, the "Participants"). Participants covered by the Severance Plan generally will be eligible to receive severance benefits in the event of a termination by the Company without Cause or, under certain circumstances, by the Participant for Good Reason. The severance benefits differ if there is a termination of employment in connection with a Change in Control. The severance benefits provided pursuant to the Severance Plan are determined based on the job classification of the Participants (as reflected in internal job profile designations) and, in certain cases, their years of service with the Company.

During the years ended December 31, 2021 and 2020, respectively, we recognized $1 million and $5 million of expense under this plan on our consolidated statements of operations. Expense recorded under this plan to our consolidated statement of operations was not significant during the year ended December 31, 2019.

NOTE 15: STOCK BASED AWARDS AND OTHER EQUITY INSTRUMENTS

Stock-based Compensation Expense

The following table presents the amount of stock-based compensation expense related to stock-based awards, primarily stock options and RSUs, on our consolidated statements of operations during the periods presented:

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Cost of revenue	$ 1	$ 1	$ 1
Selling and marketing	16	16	23
Technology and content	46	44	55
General and administrative	57	48	45
Total stock-based compensation expense	120	109	124
Income tax benefit from stock-based compensation expense	(23)	(23)	(28)
Total stock-based compensation expense, net of tax effect	$ 97	$ 86	$ 96

We capitalized $13 million, $15 million and $19 million of stock-based compensation expense as website development costs during the years ended December 31, 2021, 2020 and 2019, respectively.

Stock and Incentive Plans

On December 20, 2011, our 2011 Stock and Annual Incentive Plan (the "2011 Plan") became effective and we filed a Registration Statement registering a total of 17,500,000 shares of our common stock, of which 17,400,000 shares were issuable in connection with grants of equity-based awards under our 2011 Plan and 100,000 shares were issuable under our Deferred Compensation Plan for Non-Employee Directors (refer to "Note 14: *Employee Benefit Plans"* for information on our Deferred Compensation Plan for Non-Employee Directors). At our annual meeting of stockholders held on June 28, 2013, our stockholders approved an amendment to our 2011 Plan to, among other things, increase the aggregate number of shares of common stock authorized for issuance thereunder by 15,000,000 shares.

On June 21, 2018, our stockholders approved the 2018 Stock and Annual Incentive Plan (the "2018 Plan") and we filed a Registration Statement registering 6,000,000 shares plus the number of shares available for issuance (and not subject to outstanding awards) under the 2011 Plan. As of the effective date of the 2018 Plan, the Company ceased granting awards under the 2011 Plan. The 2018 Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards to our directors, officers, employees and consultants.

On June 8, 2021, our stockholders approved an amendment to the Company's 2018 Plan to, among other things, increase the aggregate number of shares reserved and available for issuance under the 2018 Plan by 10,000,000 shares. The purpose of this amendment was to provide sufficient reserves of shares of our common stock to ensure our ability to continue to provide new hires, employees and management with equity incentives.

The foregoing summary of the material terms of the 2018 Plan is qualified in its entirety by reference to the 2018 Stock and Annual Incentive Plan and Amendment No. 1 incorporated herein by reference as Exhibit 10.4 and Exhibit 10.37, respectively, to this Annual Report on Form 10-K.

As of December 31, 2021, the total number of shares reserved for future stock-based awards under the 2018 Plan was approximately 17 million shares. All shares of common stock issued in respect of the exercise of options, RSUs, or other equity awards have been issued from authorized, but unissued common stock.

Stock Based Award Activity and Valuation

Stock Option Activity

A summary of our stock option activity, consisting primarily of service-based non-qualified stock options, is presented below:

	Options Outstanding (in thousands)	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)
Options outstanding as of December 31, 2020	5,615	46.31		
Granted	1,002	41.12		
Exercised (1)	(705)	33.97		
Cancelled or expired	(241)	43.97		
Options outstanding as of December 31, 2021	5,671	$ 47.03	4.8	$ 1
Exercisable as of December 31, 2021	3,878	$ 51.06	3.6	$ 1
Vested and expected to vest after December 31, 2021 (2)	5,671	$ 47.03	4.8	$ 1

(1) Inclusive of approximately 390,000 stock options for the year ended December 31, 2021, which were not converted into shares due to net share settlement in order to cover the aggregate exercise price and the required amount of employee withholding taxes. Potential shares which had been convertible under stock options that were withheld under net share settlement remain in the authorized but unissued pool under the 2018 Plan and can be reissued by the Company. Total payments for the employees' tax obligations to the taxing authorities due to net share settlements are reflected as a financing activity within the consolidated statements of cash flows.

(2) The Company accounts for forfeitures as they occur, rather than estimate expected forfeitures as allowed under GAAP and therefore do not include a forfeiture rate in our vested and expected to vest calculation unless necessary for a performance condition award.

Aggregate intrinsic value represents the difference between the closing stock price of our common stock and the exercise price of outstanding, in-the-money options. Our closing stock price as reported on Nasdaq as of December 31, 2021 was $27.26. The total intrinsic value of stock options exercised for the years ended December 31, 2021 and 2019 was $9 million and $2 million, respectively, and for the year ended December 31, 2020 was not material.

The fair value of stock option grants has been estimated at the date of grant using the Black–Scholes option pricing model with the following weighted average assumptions for the periods presented:

	December 31,		
	2021	2020	2019
Risk free interest rate	0.83%	1.15%	1.79%
Expected term (in years)	5.45	5.30	5.19
Expected volatility	49.61%	43.39%	42.09%
Expected dividend yield	— %	— %	— %
Weighted-average grant date fair value	$ 18.40	$ 10.08	$ 21.25

The total fair value of stock options vested for the years ended December 31, 2021, 2020 and 2019 were $31 million, $14 million, and $15 million, respectively. Cash received from stock option exercises for the years ended December 31, 2021 and 2019 was $8 million and $2 million, respectively, and for the year ended December 31, 2020 was not material.

RSU Activity

A summary of restricted stock units ("RSUs") activity, consisting primarily of service-based vesting terms, presented below:

	RSUs Outstanding (in thousands)		Weighted Average Grant-Date Fair Value Per Share		Aggregate Intrinsic Value (in millions)
Unvested RSUs outstanding as of December 31, 2020	8,111		32.29		
Granted	3,503		40.17		
Vested and released (1)	(4,632)		31.26		
Cancelled	(1,196)		37.45		
Unvested RSUs outstanding as of December 31, 2021 (2)	5,786	$	36.82	$	158

(1) Inclusive of approximately 1,110,000 RSUs for the year ended December 31, 2021, withheld due to net share settlement to satisfy required employee tax withholding requirements. Potential shares which had been convertible under RSUs that were withheld under net share settlement remain in the authorized but unissued pool under the 2018 Plan and can be reissued by the Company. Total payments for the employees' tax obligations to the taxing authorities due to net share settlements are reflected as a financing activity within the consolidated statements of cash flows.

(2) The Company accounts for forfeitures as they occur, rather than estimate expected forfeitures as allowed under GAAP and therefore do not include a forfeiture rate in our vested and expected to vest calculation unless necessary for a performance condition award.

On May 27, 2020 and July 15, 2020, the Compensation Committee of the Board of Directors, approved modifications to the Company's annual RSU and stock option grants, respectively, issued to its employees in the first quarter of 2020. Such modifications reduced the original grant-date vesting period from four years to two years. We estimate these modifications resulted in the acceleration and recognition of an additional $17 million of stock-based compensation expense during the year ended December 31, 2020, given the modified vesting term. There was no change to the original fair value of the impacted RSUs or stock options as a result of this modification.

On December 31, 2021, the Section 16 Committee of our Board of Directors approved and granted to Stephen Kaufer, the Company's CEO, the following: (i) stock option to purchase 115,200 shares of common stock, which will vest and become exercisable 25% on August 1, 2022 and the balance will vest in quarterly installments over the following three years; with an estimated grant-date fair value per option of $12.59, using a Black-Scholes option pricing model; (ii) stock option to purchase 110,026 shares of common stock, which will vest and become exercisable in full on August 1, 2024; with an estimated grant-date fair value per option of $13.18, using a Black-Scholes option pricing model; and (iii) 106,382 RSUs, which will vest and settle 25% on August 1, 2022 and the balance will vest in quarterly installments over the following three years, with an estimated grant-date fair value of $27.26 per RSU, based on the quoted price of our common stock on the date of grant. The estimated fair value of these awards totaled $6 million and was fully recognized as stock-based compensation expense to the consolidated statement of operations for the year ended December 31, 2021, given the Company concluded there was no substantive future requisite service condition for these awards that existed at grant date for GAAP purposes.

A summary of our MSU activity is presented below:

	MSUs Outstanding (in thousands)		Weighted Average Grant-Date Fair Value Per Share		Aggregate Intrinsic Value (in millions)
Unvested MSUs outstanding as of December 31, 2020	174		37.29		
Cancelled (1)	(54)		57.62		
Unvested MSUs outstanding as of December 31, 2021 (2)	120	$	28.15	$	3

(1) MSU cancellations primarily reflect performance targets not being attained during the performance period.

(2) MSUs provide for vesting based upon the Company's total shareholder return, or TSR, performance over the period commencing January 1, 2020 through December 31, 2022 relative to the TSR performance of The Nasdaq Composite Total Return Index. Based upon actual attainment relative to the target performance metric, the grantee has the ability to receive up to 200% of the target number of MSUs originally granted, or to receive none at all.

A Monte-Carlo simulation model, which simulated the present value of the potential outcomes of future stock prices and TSR of the Company and The Nasdaq Composite Total Return Index over the performance period, was used to calculate the grant-date fair value of our MSU awards. The estimated grant-date fair value of these awards is amortized on a straight-line basis over the requisite service period.

Unrecognized Stock-Based Compensation

A summary of our remaining unrecognized compensation expense and the weighted average remaining amortization period at December 31, 2021 related to our non-vested equity awards is presented below (in millions, except in years information):

	Stock Options	RSUs/MSUs
Unrecognized compensation expense	$ 17	$ 141
Weighted average period remaining (in years)	2.3	2.6

NOTE 16: STOCKHOLDERS' EQUITY

Preferred Stock

In addition to common stock, we are authorized to issue up to 100 million preferred shares, with $ 0.001 par value per share, with terms determined by our Board of Directors, without further action by our stockholders. As of December 31, 2021, no preferred shares had been issued.

Common Stock and Class B Common Stock

Our authorized common stock consists of 1.6 billion shares of common stock with par value of $0.001 per share, and 400 million shares of Class B common stock with par value of $0.001 per share. Both classes of common stock qualify for and share equally in dividends, if declared by our Board of Directors. Common stock is entitled to one vote per share and Class B common stock is entitled to 10 votes per share. Holders of Tripadvisor common stock, acting as a single class, are entitled to elect a number of directors equal to 25% percent of the total number of directors, rounded up to the next whole number, which was three directors as of December 31, 2021. Class B common stockholders may, at any time, convert their shares into common stock, on a one for one share basis. Upon conversion, the Class B common stock is retired and is not available for reissue. In the event of liquidation, dissolution, distribution of assets or winding-up of Tripadvisor the holders of both classes of common stock have equal rights to receive all the assets of Tripadvisor after the rights of the holders of the preferred stock have been satisfied. There were 144,656,649 and 125,812,035 shares of common stock issued and outstanding, respectively, and 12,799,999 shares of Class B common stock issued and outstanding at December 31, 2021.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) is comprised of accumulated foreign currency translation adjustments, as follows for the periods presented:

	December 31, 2021	December 31, 2020
	(in millions)	
Cumulative foreign currency translation adjustments, net of tax (1)	$ (56)	$ (34)
Accumulated other comprehensive income (loss)	$ (56)	$ (34)

(1) Deferred income tax liabilities related to these amounts are not material.

Treasury Stock

On November 1, 2019, our Board of Directors authorized the repurchase of an additional $100 million in shares of our common stock under our existing share repurchase program, which increased the amount available to the Company under this share repurchase program to $250 million.

During the years ended December 31, 2020 and 2019, we repurchased 4,707,450 and 2,059,846 shares, respectively, of our outstanding common stock at an average share price of $24.32 and $29.32 per share, exclusive of fees and commissions, respectively, or $115 million and $60 million in the aggregate, respectively. During the year ended December 31, 2021, the Company did not repurchase any shares of outstanding common stock under the share repurchase program.

As of December 31, 2021, we had $75 million remaining available to repurchase shares of our common stock under this share repurchase program, with 18,844,614 shares of the Company's common stock held in treasury with an aggregate cost of $722 million.

Our Board of Directors authorized and directed management, working with the Executive Committee of our Board of Directors, to affect the share repurchase program discussed above in compliance with applicable legal requirements. While the Board of Directors has not suspended or terminated the share repurchase program, the terms of the Credit Agreement currently limit the Company from engaging in share repurchases during the Leverage Covenant Holiday and the terms of our 2025 Indenture also imposes certain limitations and restrictions on share repurchases. Refer to "Note 10: *Debt*" for further information about our Credit Agreement and our 2025 Indenture.

Dividends

On November 1, 2019, the Company's Board of Directors declared a special cash dividend of $3.50 per share, or approximately $488 million in the aggregate. The dividend was payable on December 4, 2019 to stockholders of record on November 20, 2019. During the years ended December 31, 2021 and 2020, our Board of Directors did not declare any dividends on our outstanding common stock.

Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend on our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions and other factors deemed relevant by our Board of Directors. Our ability to pay dividends is also limited by the terms of our Credit Agreement during the Leverage Covenant Holiday and our 2025 Indenture. In connection with the declaration of such dividends, our non-vested RSUs were entitled to dividend equivalents, which will be payable to the holder subject to, and only upon vesting of, the underlying awards.

NOTE 17: EARNINGS PER SHARE

Basic Earnings Per Share Attributable to Common Stockholders

We compute basic earnings per share, or Basic EPS, by dividing net income (loss) by the weighted average number of common shares outstanding during the period. We compute the weighted average number of common shares outstanding during the reporting period using the total of common stock and Class B common stock outstanding as of the last day of the previous year end reporting period plus the weighted average of any additional shares issued and outstanding less the weighted average of any common shares repurchased during the reporting period.

Diluted Earnings Per Share Attributable to Common Stockholders

Diluted earnings per share, or Diluted EPS, includes the potential dilution of common equivalent shares outstanding that could occur from stock-based awards and other stock-based commitments using the treasury stock method. We compute Diluted EPS by dividing net income (loss) by the sum of the weighted average number of common and common equivalent shares outstanding during the period. We computed the weighted average number of common and common equivalent shares outstanding during the period using the sum of (i) the number of shares of common stock and Class B common stock used in the Basic EPS calculation as indicated above, and (ii) if dilutive, the incremental weighted average common stock that we would issue upon the assumed exercise of outstanding common equivalent shares, primarily related to stock options and the vesting of restricted stock units using the treasury stock method, and (iii) if dilutive, performance-based and market-based awards based on the number of shares that would be issuable as of the end of the reporting period assuming the end of the reporting period was also the end of the contingency period.

Under the treasury stock method, the assumed proceeds calculation includes the actual proceeds to be received from the employee upon exercise of outstanding equity awards and the average unrecognized compensation cost during the period. The treasury stock method assumes that a company uses the proceeds from the exercise of an equity award to repurchase common stock at the average market price for the reporting period.

In periods of net income, shares of our common stock subject to the potential conversion of the 2026 Senior Notes outstanding during the period is also included in our weighted average number of shares outstanding used to calculate Diluted EPS using the if-converted method under GAAP, as share settlement is presumed. The Capped Calls are excluded from the calculation of Diluted EPS, as they would be antidilutive. However, upon conversion of the 2026 Senior Notes, unless the market price of our common stock exceeds the cap price, an exercise of the Capped Calls would generally offset any dilution from the 2026 Senior Notes from the conversion price up to the cap price. As of December 31, 2021, the market price of a share of our common stock did not exceed the $107.36 cap price.

In periods of a net loss, common equivalent shares are excluded from the calculation of Diluted EPS as their inclusion would have an antidilutive effect. Accordingly, for periods in which we report a net loss, such as for both the years ended December 31, 2021 and 2020, respectively, Diluted EPS is the same as Basic EPS, since dilutive common equivalent shares are not assumed to have been issued if their effect is antidilutive.

Below is a reconciliation of the weighted average number of shares of common stock outstanding in calculating Diluted EPS (shares in thousands and dollars in millions, except per share amounts) for the periods presented:

	Year ended December 31,		
	2021	2020	2019
Numerator:			
Net income (loss)	$ (148)	$ (289)	$ 126
Denominator:			
Weighted average shares used to compute Basic EPS	137,234	134,858	138,975
Weighted average effect of dilutive securities:			
Stock options	—	—	155
RSUs/MSUs	—	—	1,528
Weighted average shares used to compute Diluted EPS	137,234	134,858	140,658
Basic EPS	$ (1.08)	$ (2.14)	$ 0.91
Diluted EPS	$ (1.08)	$ (2.14)	$ 0.89

Potential common shares, consisting of outstanding stock options, RSUs, MSUs, and those issuable under the 2026 Senior Notes, totaling approximately 16.1 million, 13.7 million, and 6.7 million, for the years ended December 31, 2021, 2020 and 2019, respectively, have been excluded from the calculations of Diluted EPS because their effect would have been antidilutive. In addition, potential common shares of certain performance-based awards of approximately 0.1 million, 0.2 million, and 0.7 million, for the years ended December 31, 2021, 2020 and 2019, respectively, for which all targets required to trigger vesting had not been achieved, were excluded from the calculation of weighted average shares used to compute Diluted EPS for those reporting periods.

The earnings per share amounts are the same for common stock and Class B common stock because the holders of each class are legally entitled to equal per share distributions whether through dividends or in liquidation. In addition, our non-vested RSUs and MSUs are entitled to dividend equivalents, which are payable to the holder subject to, and only upon vesting of, the underlying awards and are therefore forfeitable. Given such dividend equivalents are forfeitable, we do not consider them to be participating securities and, consequently, they are not subject to the two-class method of determining earnings per share.

NOTE 18: OTHER INCOME (EXPENSE), NET

Other income (expense), net, consists of the following for the periods presented:

	Year Ended December 31,		
	2021	2020	2019
		(in millions)	
Foreign currency exchange gains (losses), net (1)	$ (4)	$ 5	$ (2)
Earnings (losses) from equity investment, net	(3)	(3)	(1)
Loss on sale/disposal of business (2)	—	(6)	—
Other, net	(3)	(4)	—
Total	$ (10)	$ (8)	$ (3)

(1) Foreign currency exchange gains (losses), net, are generally related to foreign exchange transaction gains and losses due to required conversion from transaction currency to functional currency, partially offset by the foreign currency forward contract gains and losses.
(2) Related to loss on disposal on the sale of our SmarterTravel business during June 2020.

NOTE 19: RELATED PARTY TRANSACTIONS

Relationship between Liberty TripAdvisor Holdings, Inc. and Tripadvisor

LTRIP is a controlling stockholder of Tripadvisor. We consider LTRIP a related party. Refer to "Note 1: *Organization and Business Description*", which describes the evolution of our relationship with LTRIP, including LTRIP's stock ownership of Tripadvisor and deemed voting power as of December 31, 2021. We had no related party transactions with LTRIP during the years ended December 31, 2021, 2020 and 2019.

Relationship between Chelsea Investment Holding Company PTE Ltd. and Tripadvisor

Refer to the discussion regarding our equity method investment in Chelsea Investment Holding Company PTD Ltd. in the section titled "Non-Marketable Investments" within "Note 5: *Financial Instruments and Fair Value Measurements"* for a description of our relationship and existing commercial arrangements with Chelsea Investment Holding Company PTE Ltd and/or its subsidiaries. We had no material related party transactions with Chelsea Investment Holding Company PTE Ltd or its subsidiaries during the years ended December 31, 2021, 2020 and 2019.

NOTE 20: SEGMENT AND GEOGRAPHIC INFORMATION

We have two reportable segments: (1) Hotels, Media & Platform; and (2) Experiences & Dining. Our Hotels, Media & Platform reportable segment includes the following revenue sources: (1) Tripadvisor-branded hotels revenue – primarily consisting of hotel auction revenue, CPA revenue, subscription-based advertising revenue, and hotel sponsored placements revenue; and (2) Tripadvisor-branded display and platform revenue – consisting of display-based advertising revenue. Our Experiences & Dining reportable segment includes an aggregation of our Experiences and Dining operating segments. All remaining business units, including Rentals, Flights & Car, and Cruises have been combined into and reported as "Other", which does not constitute a reportable segment, as none of these businesses meet the quantitative thresholds and/or other criteria to qualify as reportable segments. The nature of the services provided and revenue recognition policies are summarized by reported segment in "Note 4: *Revenue Recognition*." Our operating segments are determined based on how our chief operating decision maker manages our business, regularly accesses information and evaluates performance for operating decision-making purposes, including allocation of resources.

All direct general and administrative costs are included in the applicable segments and business units; however, all corporate general and administrative costs are included in the Hotels, Media & Platform reportable segment. In addition, the Hotels, Media & Platform reportable segment includes all Tripadvisor-related brand advertising expenses (primarily television advertising), technical infrastructure, and other costs supporting the Tripadvisor platform.

Adjusted EBITDA is our segment profit measure and a key measure used by our management and Board of Directors to understand and evaluate the operating performance of our business and on which internal budgets and forecasts are based and approved. We define Adjusted EBITDA as net income (loss) plus: (1) (provision) benefit for income taxes; (2) other income (expense), net; (3) depreciation and amortization; (4) stock-based compensation and other stock-settled obligations; (5) goodwill, intangible asset, and long-lived asset impairments; (6) legal reserves and settlements; (7) restructuring and other related reorganization costs; and (8) non-recurring expenses and income.

The following tables present our segment information for the years ended December 31, 2021, 2020 and 2019 and includes a reconciliation of Adjusted EBITDA to Net Income (Loss). We record depreciation and amortization, stock-based compensation and other stock-settled obligations, goodwill, intangible asset and other long-lived asset impairments, legal reserves and settlements, restructuring and other related reorganization costs, and other non-recurring expenses and income, net, which are excluded from segment operating performance, in corporate and unallocated. In addition, we do not report our assets, capital expenditures and related depreciation expense by segment as our CODM does not use this information to evaluate operating segments. Accordingly, we do not regularly provide such information by segment to our CODM. Intersegment revenue is not material and is included and eliminated in Other.

	Year ended December 31, 2021				
	Hotels, Media & Platform (1)	Experiences & Dining	Other	Corporate and Unallocated	Total
			(in millions)		
Revenue	$ 549	$ 307	$ 46	$ —	$ 902
Adjusted EBITDA	111	(36)	25	—	100
Depreciation and amortization				(111)	(111)
Stock-based compensation				(120)	(120)
Operating income (loss)					(131)
Other income (expense), net					(54)
Income (loss) before income taxes					(185)
(Provision) benefit for income taxes					37
Net income (loss)					$ (148)

	Year ended December 31, 2020				
	Hotels, Media & Platform (1)	Experiences & Dining	Other	Corporate and Unallocated	Total
			(in millions)		
Revenue	$ 361	$ 186	$ 57	$ —	$ 604
Adjusted EBITDA	13	(79)	15	—	(51)
Depreciation and amortization				(125)	(125)
Stock-based compensation				(109)	(109)
Restructuring and other related reorganization costs				(41)	(41)
Impairment of goodwill				(3)	(3)
Operating income (loss)					(329)
Other income (expense), net					(40)
Income (loss) before income taxes					(369)
(Provision) benefit for income taxes					80
Net income (loss)					$ (289)

	Year ended December 31, 2019				
	Hotels, Media & Platform (1)	Experiences & Dining	Other	Corporate and Unallocated	Total
			(in millions)		
Revenue	$ 939	$ 456	$ 165	$ —	$ 1,560
Adjusted EBITDA	378	5	55	—	438
Depreciation and amortization				(126)	(126)
Stock-based compensation				(124)	(124)
Restructuring and other related reorganization costs				(1)	(1)
Operating income (loss)					187
Other income (expense), net					7
Income (loss) before income taxes					194
(Provision) benefit for income taxes					(68)
Net income (loss)					$ 126

(1) Includes allocated corporate general and administrative costs of $74 million, $70 million and $69 million and Tripadvisor-branded advertising expenses of $5 million, $10 million and $77 million for the years ended December 31, 2021, 2020 and 2019, respectively. Tripadvisor-branded advertising expenses have decreased significantly since the year ended December 31, 2019, as the Company shifted from television advertising to leverage other advertising mediums.

Product and Geographic Information

Our revenue sources within our Hotels, Media & Platform segment, including Tripadvisor-branded hotels revenue and Tripadvisor-branded display and platform revenue; which along with our Experience & Dining and Other revenue sources, comprise our products. Refer to "Note 4: *Revenue Recognition*" for our revenue by product.

The Company measures its geographic revenue information based on the physical location of the Tripadvisor subsidiary which generates the revenue, which is consistent with our measurement of long-lived physical assets, or property and equipment, net. As such, this geographic classification does not necessarily align with where the consumer resides, where the consumer is physically located while using the Company's services, or the location of the travel service provider, experience operator or restaurant.

The Company's revenue based on geographic location consists of the following for the periods presented:

	Year ended December 31,		
	2021	2020	2019
		(in millions)	
Revenue			
United States	$ 526	$ 302	$ 821
United Kingdom	259	169	466
All other countries	117	133	273
Total revenue	$ 902	$ 604	$ 1,560

The Company's property and equipment, net for the United States and all other countries based on the geographic location of the assets consists of the following for the periods presented:

	December 31,	
	2021	2020
	(in millions)	
Property and equipment, net		
United States	$ 178	$ 199
All other countries	37	41
Total	$ 215	$ 240

Customer Concentrations

Refer to "Note 2: *Significant Accounting Policies*" under the section entitled "Certain Risks and Concentrations" for information regarding our major customer concentrations.

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of December 31, 2021, our management, with the participation of our Chief Executive Officer and President and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Based upon that evaluation, our Chief Executive Officer and President and our Chief Financial Officer concluded that, as of December 31, 2021, our disclosure controls and procedures were effective in ensuring that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's, or the SEC's, rules and forms, including ensuring that such material information is accumulated and communicated to our management, including our Chief Executive Officer and President and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

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

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) of the Exchange Act. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and President and the Chief Financial Officer, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting described in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company's management evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. Pursuant to Exchange Act Rule 13a-15(d) or 15d-15(d), management has concluded that, as of December 31, 2021, our internal control over financial reporting was effective. Management has reviewed its assessment with the Audit Committee. KPMG LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2021, as stated in their report which is included below.

Limitations on Effectiveness of Controls and Procedures

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Tripadvisor, Inc.:

Opinion on Internal Control Over Financial Reporting

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

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively, the consolidated financial statements), and our report dated February 18, 2022 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ KPMG LLP

Boston, Massachusetts
February 18, 2022

Item 9B. Other Information

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required under this item is incorporated herein by reference to our 2022 Proxy Statement, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of our fiscal year ended December 31, 2021.

Item 11. Executive Compensation

The information required under this item is incorporated herein by reference to our 2022 Proxy Statement, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of our fiscal year ended December 31, 2021.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required under this item is incorporated herein by reference to our 2022 Proxy Statement, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of our fiscal year ended December 31, 2021.

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

The information required under this item is incorporated herein by reference to our 2022 Proxy Statement, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of our fiscal year ended December 31, 2021.

Item 14. Principal Accounting Fees and Services

The information required under this item is incorporated herein by reference to our 2022 Proxy Statement, which proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the close of our fiscal year ended December 31, 2021.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following is filed as part of this Annual Report on Form 10-K:

1. *Consolidated Financial Statements*: The consolidated financial statements and report of independent registered public accounting firms required by this item are included in Part II, Item 8.

All other schedules are omitted because they are not applicable or not required, or because the required information is shown either in the consolidated financial statements or in the notes thereto.

(b) Exhibits:

Exhibit No.	Exhibit Description	Filed Herewith	Form	Incorporated by Reference SEC File No.	Exhibit No.	Filing Date
3.1	Restated Certificate of Incorporation of Tripadvisor, Inc.		8-K	001-35362	3.1	12/27/11
3.2	Amended and Restated Bylaws of Tripadvisor, Inc.		8-K	001-35362	3.2	12/27/11
3.3	Amendment No. 1 to Amended and Restated Bylaws of Tripadvisor, Inc.		8-K	001-35362	3.1	2/12/13
4.1	Specimen Tripadvisor, Inc. Common Stock Certificate		S-4/A	333-175828-01	4.6	10/24/11
4.2	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934		10-K	001-35362	4.2	2/19/20
4.3	Indenture, dated July 9, 2020, among Tripadvisor, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee (as successor trustee to Wilmington Trust, National Association)		8-K	001-35362	4.1	7/9/20
4.4	Form of Senior Note (included in Exhibit 4.1)		8-K	001-35362	4.2	7/9/20
4.5	Indenture, dated as of March 25, 2021, by and among Tripadvisor, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee		8-K	001-35362	4.1	3/25/21
4.6	Form of 0.25% Convertible Senior Notes due 2026 (included as Exhibit A to Exhibit 4.1)		8-K	001-35362	4.2	3/25/21
10.1	Governance Agreement, by and among Tripadvisor, Inc., Liberty Interactive Corporation and Barry Diller, dated as of December 20, 2011		8-K	001-35362	10.1	12/27/11

10.2	Tax Sharing Agreement by and between Tripadvisor, Inc. and Expedia, Inc., dated as of December 20, 2011	8-K	001-35362	10.2	12/27/11
10.3+	Amended and Restated Tripadvisor, Inc. 2011 Stock and Annual Incentive Plan	10-Q	001-35362	10.1	11/8/16
10.4+	Tripadvisor, Inc. 2018 Stock and Annual Incentive Plan	10-Q	001-35362	10.1	8/1/18
10.5+	Tripadvisor, Inc. Deferred Compensation Plan for Non-Employee Directors	S-8	333-178637	4.6	12/20/11
10.6	Corporate Headquarters Lease with Normandy Gap-V Needham Building 3, LLC, as landlord, dated as of June 20, 2013	10-Q	001-35362	10.1	7/24/13
10.7	Guaranty dated June 20, 2013 by Tripadvisor, Inc. for the benefit of Normandy Gap-V Needham Building 3, LLC, as landlord	10-Q	001-35362	10.2	7/24/13
10.8+	Employment Agreement between Tripadvisor LLC and Seth Kalvert, effective as of May 19, 2016	8-K	001-35362	10.1	5/23/16
10.9+	Amendment to Employment Agreement between Tripadvisor LLC and Seth Kalvert, dated as of February 19, 2018	10-K	001-35362	10.8	2/21/18
10.10+	Employment Agreement between Tripadvisor LLC and Stephen Kaufer, effective as of March 31, 2014	10-Q	001-35362	10.3	5/6/14
10.11+	Amendment to Employment Agreement between Tripadvisor LLC and Stephen Kaufer, effective as of November 28, 2017	10-K	001-35362	10.10	2/21/18
10.12+	Amended and Restated Option Agreement dated June 5, 2017 between Stephen Kaufer and Tripadvisor, Inc.	8-K	001-35362	10.1	6/8/17

10.13+	Stock Option Agreement (time-based) between Stephen Kaufer and Tripadvisor, Inc. dated November 28, 2017	10-K	001-35362	10.12	2/21/18
10.14+	RSU Agreement (time-based) between Stephen Kaufer and Tripadvisor, Inc. dated November 28, 2017	10-K	001-35362	10.13	2/21/18
10.15+	RSU Agreement (performance based (market)) between Stephen Kaufer and Tripadvisor, Inc. dated November 28, 2017	10-K	001-35362	10.14	2/21/18
10.16+	RSU Agreement (performance based (financial and strategic)) between Stephen Kaufer and Tripadvisor, Inc. dated November 28, 2017	10-K	001-35362	10.15	2/21/18
10.17+	Viator, Inc. 2010 Stock Incentive Plan	S-8	333-198726	99.1	9/12/14
10.19	Credit Agreement dated as of June 26, 2015 by and among Tripadvisor, Inc., Tripadvisor Holdings, LLC, Tripadvisor LLC, JPMorgan Chase Bank, N.A., as Administrative Agent; J.P. Morgan Europe Limited, as London Agent; Morgan Stanley Bank, N.A.; Bank of America, N.A.; BNP Paribas; SunTrust Bank; Wells Fargo Bank, National Association; Royal Bank of Canada; Barclays Bank PLC; U.S. Bank National Association; Citibank, N.A.; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Goldman Sachs Bank USA; and Deutsche Bank AG New York Branch	8-K	001-35362	10.1	6/30/15

10.20	First Amendment, dated as of May 12, 2017, by and among Tripadvisor, Inc., Tripadvisor Holdings, LLC, Tripadvisor LLC and other Subsidiary Loan Parties party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and J.P.Morgan Europe Limited, as London Agent	8-K	001-35362	10.1	5/15/17
10.21	Second Amendment, dated as of May 5, 2020, by and among Tripadvisor, Inc., Tripadvisor Holdings, LLC, Tripadvisor LLC, the other Borrowers party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and London Agent, BofA Securities, Inc., BMO Capital Markets Corp., BNP Paribas Securities Corp., SunTrust Robinson Humphrey, Inc., and U.S. Bank National Association, as Joint Lead Arrangers and Joint Bookrunners; Bank of America, N.A., BMO Capital Markets Corp., BNP Paribas Securities Corp., SunTrust Robinson Humphrey, Inc. and U.S. Bank National Association, as Co-Syndication Agents; and Barclays Bank PLC, Morgan Stanley Senior Funding, Inc. and Wells Fargo Bank, National Association, as Co-Documentation Agents.	8-K	001-35362	10.1	5/7/20

10.22	Third Amendment, dated as of December 17, 2020, by and among Tripadvisor, Inc., Tripadvisor Holdings, LLC, Tripadvisor LLC, the other Borrowers party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and London Agent, BofA Securities, Inc., BMO Capital markets Corp., BNP Paribas Securities Corp., Truist Securities, Inc., and U.S. Bank National Association, as Joint Lead Arrangers and Joint Bookrunners; Bank of America, N.A., BMO Capital Markets Corp., BNP Paribas Securities Corp., Truist Securities, Inc. and U.S. Bank National Association, as Co-Syndication Agents; and Barclays Bank PLC, Morgan Stanley Senior Funding, Inc. and Wells Fargo Bank, National Association, as Co-Documentation Agents.	8-K	001-35362	10.1	12/22/20
10.23+	Employment Agreement, dated as of October 6, 2015, between Tripadvisor, LLC and Ernst Teunissen	8-K	001-35362	10.1	10/8/15
10.24+	Amendment to Employment Agreement, dated as of November 28, 2017, between Tripadvisor, LLC and Ernst Teunissen	10-K	001-35362	10.21	2/21/18
10.25+	Second Amendment to Employment Agreement, dated as of May 8, 2020, between Tripadvisor, LLC and Ernst Teunissen	10-Q	001-35362	10.9	5/8/20

10.26+	Executive Severance Plan and Summary Plan Description		10-Q	001-35362	10.4	8/8/17
10.27	Form of Tripadvisor Media Group Master Advertising Insertion Order		10-K	001-35362	10.23	2/21/18
10.28+	Form of Option Agreement (Domestic)		10-Q	001-35362	10.1	5/8/18
10.29+	Form of Option Agreement (International)		10-Q	001-35362	10.2	5/8/18
10.30+	Form of Restricted Stock Unit Agreement (Domestic)		10-Q	001-35362	10.3	5/8/18
10.31+	Form of Restricted Stock Unit Agreement (International)		10-Q	001-35362	10.4	5/8/18
10.32+	Form of Restricted Stock Unit Agreement (French)		10-Q	001-35362	10.5	5/8/18
10.35+	Form of Restricted Stock Unit Agreement (Non-Employee Directors)		10-Q	001-35362	10.2	8/1/18
10.36	Governance Agreement dated as of November 6, 2019 between Tripadvisor, Inc. and Trip.com Group Limited		8-K	001-35362	10.1	11/6/19
10.37+	Amendment No. 1 to 2018 Stock and Annual Incentive Plan		8-K	001-35362	10.1	8/5/21
10.38+	Employment Agreement, dated as of March 29, 2021 between Tripadvisor, LLC and Seth Kalvert		10-Q	001-35362	10.7	5/6/21
10.39+	Offer Letter, dated as of September 14, 2018, between Tripadvisor, LLC and Lindsay Nelson		10-Q	001-35362	10.8	5/6/21
10.40+	Offer Letter, dated as of February 13, 2019, between Tripadvisor, LLC and Kanika Soni		10-K	001-35362	10.9	5/6/21
10.41	Form of Capped Call Confirmation		8-K	001-35362	10.1	3/25/21
21.1	Subsidiaries of the Registrant	X				
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm	X				

24.1	Power of Attorney (included in signature page)	X
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).	X

+ *Indicates a management contract or a compensatory plan, contract or arrangement.*

Item 16. Form 10-K Summary

Not applicable.

Signatures

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

TRIPADVISOR, INC.

By: /s/ STEPHEN KAUFER

February 18, 2022

Stephen Kaufer
Chief Executive Officer and
President

POWER OF ATTORNEY

We, the undersigned officers and directors of Tripadvisor, Inc., hereby severally constitute and appoint Stephen Kaufer and Ernst Teunissen, and each of them singly, our true and lawful attorneys, with full power to them and each of them singly, to sign for us in our names in the capacities indicated below, all amendments to this report, and generally to do all things in our names and on our behalf in such capacities to enable Tripadvisor, Inc. to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated as of February 18, 2022.

Signature	Title
/s/ STEPHEN KAUFER Stephen Kaufer	Chief Executive Officer, President and Director (Principal Executive Officer)
/s/ ERNST TEUNISSEN Ernst Teunissen	Chief Financial Officer (Principal Financial Officer)
/s/ GEOFFREY GOUVALARIS Geoffrey Gouvalaris	Chief Accounting Officer (Principal Accounting Officer)
/s/ GREGORY B. MAFFEI Gregory B. Maffei	Chairman of the Board
/s/ TRYNKA SHINEMAN BLAKE Trynka Shineman Blake	Director
/s/ JAY C. HOAG Jay C. Hoag	Director
/s/ BETSY MORGAN Betsy Morgan	Director
/s/ GREG O’HARA Greg O’Hara	Director
/s/ JEREMY PHILIPS Jeremy Philips	Director
/s/ ALBERT E. ROSENTHALER Albert E. Rosenthaler	Director
/s/ JANE JIE SUN Jane Jie Sun	Director
/s/ ROBERT S. WIESENTHAL Robert S. Wiesenthal	Director

TripAdvisor, Inc.

Board of Directors

Gregory B. Maffei
Chairman

Stephen Kaufer
Director, President and Chief Executive Officer

Jay C. Hoag
Director

Betsy L. Morgan
Director

M. Greg O'Hara
Director

Jeremy Philips
Director

Jane Sun
Director

Albert Rosenthaler
Director

Trynka Shineman Blake
Director

Robert S. Wiesenthal
Director

Executive Officers

Stephen Kaufer
President and Chief Executive Officer

Ernst Teunissen
Chief Financial Officer and Chief Executive – Viator, The Fork, and Cruise Critic

Seth Kalvert
Chief Legal Officer and Secretary

Kanika Soni
Chief Commercial Officer

Corporate and Stockholder Information

Headquarters
TripAdvisor, Inc.
400 1st Ave.
Needham, Massachusetts 02494

Exchange Listing and Ticker Symbol
NASDAQ Global Select Market, "TRIP"

Annual Meeting
June 14, 2022
11:00 a.m. Eastern Time
www.virtualshareholdermeeting.com/TRIP2022

Publications and Reports
A variety of stockholder publications and reports, including TripAdvisor's Annual Report on Form 10-K, proxy statement, financial news releases and a variety of legal filings are available at http://ir.tripadvisor.com. Stockholders can also request a copy of the Annual Report and proxy statement by contacting the Secretary of TripAdvisor, Inc., 400 1st Avenue, Needham, Massachusetts 02494.

Independent Registered Public Accounting Firm
KPMG LLP
Two Financial Center
60 South Street
Boston, Massachusetts 02110

Transfer Agent and Registrar
Computershare
P.O. Box 358015
Pittsburgh, PA 15252

Electronic Delivery
Most stockholders can elect to receive e-mails in the future with links to the Annual Report, proxy statement and voting web site. Registered stockholders can sign up for electronic delivery at www.bnymellon.com/shareowner/equityaccess. Street name stockholders should contact their bank or broker to inquire about electronic delivery.

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