

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended March 31, 2020

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
(State or other jurisdiction of
incorporation or organization)

80-0743202
(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

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

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

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

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

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

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

Class	Outstanding Shares at May 1, 2020
Common Stock, \$0.001 par value per share	121,391,809 shares
Class B common stock, \$0.001 par value per share	12,799,999 shares

Tripadvisor, Inc.
Form 10-Q
For the Quarter Ended March 31, 2020

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PART I – FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

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

	Three months ended March 31,	
	2020	2019
Revenue (Note 3)	\$ 278	\$ 376
Costs and expenses:		
Cost of revenue (1)	19	21
Selling and marketing (2)	129	178
Technology and content (2)	73	73
General and administrative (2)	52	42
Depreciation	25	23
Amortization of intangible assets	7	8
Total costs and expenses:	305	345
Operating income (loss)	(27)	31
Other income (expense):		
Interest expense	(2)	(2)
Interest income	1	4
Other income (expense), net	1	—
Total other income (expense), net	—	2
Income (loss) before income taxes	(27)	33
(Provision) benefit for income taxes (Note 9)	11	(7)
Net income (loss)	\$ (16)	\$ 26
Earnings (loss) per share attributable to common stockholders (Note 4):		
Basic	\$ (0.12)	\$ 0.19
Diluted	\$ (0.12)	\$ 0.18
Weighted average common shares outstanding (Note 4):		
Basic	136	138
Diluted	136	141
(1) Excludes amortization as follows:		
Amortization of acquired technology included in amortization of intangible assets	\$ 1	\$ 2
Amortization of website development costs included in depreciation	17	16
	\$ 18	\$ 18
(2) Includes stock-based compensation expense as follows (Note 5):		
Selling and marketing	\$ 4	\$ 5
Technology and content	\$ 11	\$ 12
General and administrative	\$ 11	\$ 10

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

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

	Three months ended	
	March 31,	
	2020	2019
Net income (loss)	\$ (16)	\$ 26
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of tax (1)	(17)	(2)
Total other comprehensive loss, net of tax	(17)	(2)
Comprehensive income (loss)	<u>\$ (33)</u>	<u>\$ 24</u>

(1) The deferred income tax liability related to foreign currency translation adjustments is not material.

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

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

	March 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents (Note 6)	\$ 798	\$ 319
Accounts receivable and contract assets, net of allowance for doubtful accounts of \$25 and \$25, respectively (Note 2, Note 3)	159	183
Income taxes receivable	26	4
Prepaid expenses and other current assets	29	27
Total current assets	1,012	533
Property and equipment, net of accumulated depreciation of \$338 and \$319, respectively	268	270
Operating lease right-of-use assets	67	74
Intangible assets, net of accumulated amortization of \$176 and \$173, respectively	101	110
Goodwill (Note 7)	826	840
Deferred income taxes, net	7	7
Non-marketable investments (Note 6)	54	55
Other long-term assets	92	95
TOTAL ASSETS	\$ 2,427	\$ 1,984
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 34	\$ 11
Deferred merchant payables	71	159
Deferred revenue (Note 3)	60	62
Accrued expenses and other current liabilities (Note 10)	146	203
Total current liabilities	311	435
Long-term debt (Note 8)	700	—
Deferred income taxes, net	16	8
Other long-term liabilities	373	380
Total Liabilities	1,400	823
Commitments and contingencies (Note 11)		
Stockholders' equity: (Note 12)		
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: 140,109,681 and 138,698,307, respectively		
Shares outstanding: 121,285,697 and 124,581,773, 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	1,167	1,150
Retained earnings	662	681
Accumulated other comprehensive income (loss)	(80)	(63)
Treasury stock-common stock, at cost, 18,823,984 and 14,116,534 shares, respectively	(722)	(607)
Total Stockholders' Equity	1,027	1,161
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,427	\$ 1,984

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

TRIPADVISOR, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions, except number of shares)

Three months ended March 31, 2020

	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, 2019	138,698,307	\$ —	12,799,999				\$ —	\$ 1,150	
Net income (loss)						(16)				(16)
Cumulative effect adjustment from adoption of new accounting guidance (Note 2)						(3)				(3)
Other comprehensive loss							(17)			(17)
Issuance of common stock related to exercises of options and vesting of RSUs	1,411,374	—			—					—
Repurchase of common stock (Note 12)								(4,707,450)	(115)	(115)
Withholding taxes on net share settlements of equity awards					(14)					(14)
Stock-based compensation					31					31
Balance as of March 31, 2020	<u>140,109,681</u>	<u>\$ —</u>	<u>12,799,999</u>	<u>\$ —</u>	<u>\$ 1,167</u>	<u>\$ 662</u>	<u>\$ (80)</u>	<u>(18,823,984)</u>	<u>\$ (722)</u>	<u>\$ 1,027</u>

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

TRIPADVISOR, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(in millions, except number of shares)

Three months ended March 31, 2019

	<u>Common stock</u>		<u>Class B common stock</u>		<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Treasury Stock</u>		<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				<u>Shares</u>	<u>Amount</u>	
	Balance as of December 31, 2018	137,158,010	\$ —	12,799,999				\$ —	\$ 1,037	
Net income (loss)						26				26
Cumulative effect adjustment from adoption of new accounting guidance						3				3
Other comprehensive loss							(2)			(2)
Issuance of common stock related to exercises of options and vesting of RSUs	1,098,620	—			—					—
Withholding taxes on net share settlements of equity awards					(23)					(23)
Stock-based compensation					32					32
Balance as of March 31, 2019	138,256,630	\$ —	12,799,999	\$ —	\$ 1,046	\$ 1,072	\$ (64)	(12,056,688)	\$ (547)	\$ 1,507

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

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

	Three months ended March 31,	
	2020	2019
Operating activities:		
Net income (loss)	\$ (16)	\$ 26
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation of property and equipment, including amortization of internal-use software and website development	25	23
Amortization of intangible assets	7	8
Stock-based compensation expense	26	27
Deferred income tax expense (benefit) and other, net	12	14
Changes in operating assets and liabilities, net of effects from acquisitions and other investments:		
Accounts receivable and contract assets, prepaid expenses and other assets	14	(27)
Accounts payable, accrued expenses and other liabilities	(21)	(18)
Deferred merchant payables	(86)	99
Income tax receivables/payables, net	(30)	(8)
Deferred revenue	(1)	38
Net cash provided by (used in) operating activities	(70)	182
Investing activities:		
Capital expenditures, including internal-use software and website development	(20)	(17)
Purchases of marketable securities	—	(40)
Maturities of marketable securities	—	15
Net cash used in investing activities	(20)	(42)
Financing activities:		
Repurchase of common stock (Note 12)	(115)	—
Proceeds from 2015 credit facility (Note 8)	700	—
Payment of withholding taxes on net share settlements of equity awards	(14)	(23)
Payments of finance lease obligation	(1)	(1)
Net cash provided by (used in) financing activities	570	(24)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	—
Net increase in cash, cash equivalents and restricted cash	479	116
Cash, cash equivalents and restricted cash at beginning of period	319	655
Cash, cash equivalents and restricted cash at end of period	\$ 798	\$ 771

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

TRIPADVISOR, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BUSINESS DESCRIPTION AND BASIS OF PRESENTATION

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

Description of Business

Tripadvisor is a leading online travel company and our mission is to help people around the world plan, book and experience the perfect trip. We operate a global travel platform that connects the world’s largest 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.

Under our flagship brand, Tripadvisor, we launched www.Tripadvisor.com in the U.S. in 2000. Since then, we have launched localized versions of the Tripadvisor website in 48 markets and 28 languages worldwide. Tripadvisor features 860 million reviews and opinions on 8.7 million places to stay, places to eat and things to do – including 1.5 million hotels, inns, B&Bs and specialty lodging, 784,000 rental properties, 4.6 million restaurants, 1.3 million travel activities and experiences worldwide, 500,000 airlines, and 70,000 cruises. Tripadvisor’s rich content and engaged community attract the world’s largest travel audience, based on monthly unique visitors, including 463 million average monthly unique visitors in the third quarter of 2019 during the peak summer travel season.

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.airfarewatchdog.com, www.bokun.io, www.bookingbuddy.com, www.cruisecritic.com, www.familyvacationcritic.com, www.flipkey.com, www.thefork.com (including www.lafourchette.com, www.eltenedor.com, and www.bookatable.co.uk), www.holidaylettings.co.uk, www.holidaywatchdog.com, www.housetrip.com, www.jetsetter.com, www.niumba.com, www.onetime.com, www.oyster.com, www.seatguru.com, www.singleplatform.com, www.smartertravel.com, www.vacationhomerentals.com, and www.viator.com.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements present our results of operations, financial position and cash flows on a consolidated basis. The unaudited condensed 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. 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.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) and include all normal and recurring adjustments that management of the Company considers necessary for a fair presentation of its financial position and operating results. We prepared the unaudited condensed consolidated financial statements following the requirements of the U.S. Securities and Exchange Commission (“SEC”) for interim reporting. As permitted under those rules, we condensed or omitted certain footnotes or other financial information that are normally required by GAAP for annual financial statements. Additionally, certain prior period amounts have been reclassified for comparability with the current period presentation. Our interim unaudited condensed consolidated financial statements are not necessarily indicative of results that may be expected for any other interim period or for the full year. These interim unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2019, previously filed with the SEC. The unaudited condensed consolidated balance sheet as of December 31, 2019 included herein was derived from the audited consolidated financial statements as of that date, but does not include all disclosures including notes required by GAAP.

As of March 31, 2020, Liberty TripAdvisor Holdings, Inc. (“LTRIP”) beneficially owned approximately 18.2 million shares of our common stock and 12.8 million shares of our Class B common stock, which constitute 15.0% 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 23.1% 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 58.6% of our voting power.

Accounting Estimates

We use estimates and assumptions in the preparation of our unaudited condensed 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 unaudited condensed 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 estimates underlying our unaudited condensed consolidated financial statements include: (i) recognition and recoverability of goodwill, definite-lived intangibles and other long-lived assets; and (ii) accounting for income taxes.

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. We are subject to risks and uncertainties as a result of the COVID-19 pandemic. The impact of COVID-19 has caused material declines in demand within the travel, hospitality, restaurant and leisure industry concurrent with travel bans and increased governmental restrictions and mandates globally that has dampened consumer demand for our products and services, which has adversely and materially affected our business, results of operations and financial condition. We believe the travel industry and our business will continue to be adversely and materially affected while travel bans and other government restrictions and mandates remain in place. However, the extent of the impact of the COVID-19 pandemic on our business is highly uncertain and difficult to predict, as the response to the pandemic is ongoing, information is rapidly evolving, and the duration and severity of the pandemic are also uncertain and cannot be predicted. In addition, we do not have visibility into when these bans will be lifted, nor do we have visibility into the changes to consumer usage patterns on our platform or travel behavior patterns when travel bans and other government restrictions and mandates are lifted.

Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Such economic disruption could have a material adverse effect on our business as consumers reduce their discretionary spending. Policymakers around the globe have responded with fiscal policy actions to support certain areas of the travel industry and economy as a whole. The magnitude and overall effectiveness of these actions remains uncertain.

The Company's future results of operations and liquidity could also be adversely impacted by delays in payments of outstanding accounts receivable amounts beyond normal payment terms, travel supplier and restaurant insolvencies, and the impact of any initiatives or programs that the Company may undertake to address financial and operational challenges faced by the Company and its customers. As of the date of issuance of these unaudited condensed consolidated financial statements, the extent to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity, or results of operations in the future is uncertain.

Seasonality

Consumers' travel expenditures follow a seasonal pattern. Correspondingly, travel partners' advertising investments, and therefore our revenue and profits, also follow 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. Significant shifts in our business mix or adverse economic conditions, including the impact of COVID-19, could result in future seasonal patterns that are different from historical trends.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

With the exception of the change for the accounting of credit losses as a result of adopting ASC 326 – *Financial Instruments – Credit Losses* (“ASC 326”) on January 1, 2020, as discussed below, there have been no other significant changes to our accounting policies since December 31, 2019, as described under “Note 2: *Significant Accounting Policies*”, in the notes to consolidated financial statements in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2019.

Recently Adopted Accounting Pronouncements

Credit Losses

In June 2016, the FASB issued new accounting guidance which replaces the incurred loss impairment model with an expected loss methodology on the measurement of credit losses for financial assets measured at amortized cost, which includes accounts receivable and available-for-sale debt securities. For financial assets measured at amortized cost, this new guidance requires an entity to: (1) estimate its lifetime expected credit losses upon recognition of the financial assets and establish an allowance to present the net amount expected to be collected; (2) recognize this allowance and changes in the allowance during subsequent periods through net income; and (3) consider relevant information about past events, current conditions and reasonable and supportable forecasts in assessing the lifetime expected credit losses. For available-for-sale debt securities, this new guidance made several targeted amendments to the existing other-than-temporary impairment model, including: (1) requiring disclosure of the allowance for credit losses; (2) allowing reversals of the previously recognized credit losses until the entity has the intent to sell, is more-likely-than-not required to sell the securities or the maturity of the securities; (3) limiting impairment to the difference between the amortized cost basis and fair value; and (4) not allowing entities to consider the length of time that fair value has been less than amortized cost as a factor in evaluating whether a credit loss exists. In addition, ASC 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell.

The Company adopted ASC 326 on January 1, 2020, using a modified retrospective transition method for all financial assets measured at amortized cost, which requires a cumulative-effect adjustment of initial application, if any, to be recognized on the date of adoption. The cumulative-effect adjustment recorded by the Company on January 1, 2020 to retained earnings on its unaudited condensed consolidated balance sheet was \$3 million. Financial results for reporting periods beginning after January 1, 2020, are presented under the new guidance, while prior period amounts are not adjusted and continue to be reported in accordance with previous GAAP. During the three months ended March 31, 2020, the impact of adopting the expected credit loss model was not material to the Company. Credit loss estimates on accounts receivable are recorded in general and administrative expenses on our unaudited condensed consolidated statement of operations. Credit loss estimates on available-for-sale debt securities are recorded in interest expense on our unaudited condensed consolidated statement of operations. The Company has updated its significant accounting policies as described below as of January 1, 2020.

Accounts Receivable and Allowance for Doubtful Accounts. The Company historically recorded an allowance for doubtful accounts using the incurred loss model. Upon adoption of ASC 326, the Company transitioned to the “expected credit loss” methodology in estimating its allowance for doubtful accounts.

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 allowance for doubtful accounts 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.

Available-for-sale debt securities. The Company's investment portfolio at any point in time may contain investments 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, cash and term 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 March 31, 2020, the Company had no available-for-sale-debt securities.

NOTE 3: 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 three months ended March 31, 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. 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, which is primarily comprised of contextually-relevant booking links to our travel partners' websites. Our click-based travel partners are predominantly OTAs and direct suppliers in the hotel category. 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, also known as our hotel metasearch auction, where our travel partner CPC bids for rates and availability to be listed on our site are submitted. When a CPC bid is submitted, the partner agrees to pay us the bid amount each time a traveler clicks on the link to that 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.

In addition, we offer subscription-based advertising to hotel partners, owners of B&Bs and other specialty lodging properties. Our performance obligation is generally to enable subscribers to advertise their businesses on our website, 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 for the amount of prepayment in excess of revenue recognized until the performance obligation is satisfied.

We also offer travel partners the opportunity to advertise and promote their business through hotel sponsored placements on our websites. 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 based on a pre-determined contractual rate. 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.

To a lesser extent, we generate transaction revenue from our hotel instant booking feature, which enables hotel shoppers to book directly with a travel partner, with the latter serving as the merchant of record for the transaction, without leaving our website. We earn a commission from our travel partners for each traveler that completes a hotel reservation on our website based on a pre-

determined contractual commission rate. Our hotel instant booking revenue includes (i) arrangements where commissions are billable on all instant booking hotel reservations; and (ii) arrangements where the commissions are billable only upon the completion of each traveler's stay resulting from the reservation. The travel partners provide the service to the travelers and we act as an agent under ASC 606. Our performance obligation in both arrangements is complete at the time of the booking and the commission earned is recognized upon booking, as we have no post-booking service obligations. The amount of revenue recognized for commissions that are billable contingent upon a traveler stay requires an estimate of the impact of cancellations using historical cancellation rates. Contract assets are recognized at the time of booking for commissions that are billable at the time of stay.

Tripadvisor-branded Display and Platform Revenue. We offer travel partners the ability to promote their brands through display-based advertising placements on our websites 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 websites 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 consumers to research and book activities and attractions in popular travel destinations both through Viator, our dedicated Experiences offering, and on our Tripadvisor website and mobile apps. We also power travel activities and experiences booking capabilities to consumers on affiliate partner websites, including some of the world's top airlines, hotel chains, and online and offline travel agencies. We work with local tour or travel activities/experiences operators ("the supplier") to provide consumers the ability to book tours, activities and experiences ("the activity") in popular destinations worldwide. We generate commissions for each booking transaction we facilitate through our online reservation system. We provide post-booking service to the customer until the time of the activity, which is the completion of the performance obligation. Revenue is recognized at the time that the activity occurs. We generally do not control the activity before the supplier provides it to our customer and therefore act as agent for nearly all of these transactions under ASC 606. We generally collect payment from the customer at the time of booking that includes both our commission revenue and the amount due to the supplier. Our commission revenue is recorded as deferred revenue until the activity occurs and revenue is recognized, and the amount due to the supplier is recorded as deferred merchant payables on our consolidated balance sheet until completion of the activity and payment is made to the supplier. To a lesser extent, we earn commissions from affiliate partners, or third-party merchant partners who display and promote on their websites the supplier activities available on our platform to generate bookings. In these transactions, where we are not the merchant of record, we generally invoice and receive commissions directly from the third-party merchant partners. Our performance obligation is to allow the third-party merchant partners to display and promote on their website suppliers who utilize our platform and we earn a commission when consumers book and complete an activity. We do not control the service and act as an agent for these transactions under ASC 606. Our performance obligation is complete and revenue is recognized at the time of the booking, as we have no post-booking obligations. We recognize this revenue net of an estimate of the impact of cancellations using historical cancellation rates. Contract assets are recognized for commissions that are billable contingent upon completion of the activity.

We also provide information and services for consumers to research and book restaurants in popular travel destinations through our dedicated restaurant reservations offering, TheFork, and on our Tripadvisor-branded websites and mobile apps. TheFork is an online restaurant booking platform operating on a number of websites (including www.thefork.com, www.lafourchette.com, www.eltenedor.com, and www.bookatable.co.uk), with a network of restaurant partners located primarily across the U.K. and Europe, Australia, and South America. We primarily generate transaction fees (or per seated diner fees) that are paid by restaurants 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 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 website. This service is generally priced on a CPC basis, with payments from restaurant partners determined by the number of users 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 generates revenue primarily by offering individual property owners and managers the ability to list their properties on our websites and mobile apps thereby connecting with travelers through a free-to-list, commission-based option or, to a lesser extent, by an annual subscription-based fee structure. 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 from the traveler at the time of booking payment 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 until revenue is recognized, and that portion of the payment representing the amount due to the property owner is recorded as deferred merchant payables until payment is made to the property owner after the completion of the rental. Payments for term-based subscription fees related to online advertising services for the listing of rental properties are generally due in advance. As the performance obligation is the listing service provided to the property owner or manager over the subscription period, revenue is recognized over the period of the subscription service on a straight-line basis as efforts are expended evenly throughout the contract period. We recognize deferred revenue for the amount of prepayment in excess of revenue recognized until the performance obligation is satisfied.

In addition, Other also includes revenue generated from flights, cruises, and car offerings on Tripadvisor, as well as revenue from non-Tripadvisor-branded websites not otherwise described above, such as www.bookingbuddy.com, www.cruisecritic.com, www.onetime.com and www.smartertravel.com, and Tripadvisor China, which primarily includes click-based advertising and display-based advertising revenue. The performance obligations, timing of customer payments for these brands, and methods of revenue recognition are generally consistent with click-based advertising and display-based advertising revenue, as described above.

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 13: Segment Information," our business consists of two reportable segments – (1) Hotels, Media & Platform; and (2) Experiences & Dining. A reconciliation of disaggregated revenue to segment revenue is also included below.

	Three months ended March 31,	
	2020	2019
Major products/revenue sources (1):	(in millions)	
Hotels, Media & Platform		
Tripadvisor-branded hotels	\$ 137	\$ 216
Tripadvisor-branded display and platform	32	38
Total Hotels, Media & Platform	169	254
Experiences & Dining	83	80
Other (2)	26	42
Total Revenue	\$ 278	\$ 376

(1) Our revenue is recognized primarily at a point in time for all reported segments.

(2) Other consists of the combination of our Rentals, Flights/Cruises/Car, SmarterTravel and Tripadvisor China business units and does not constitute a reportable segment.

The following table provides information about the opening and closing balances of accounts receivable and contract assets from contracts with customers (in millions):

	March 31, 2020	December 31, 2019
Accounts receivable	154	176
Contract assets	5	7
Total	\$ 159	\$ 183

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. 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, 2020 and 2019, we had \$62 million and \$63 million, respectively, recorded as deferred revenue on our unaudited condensed consolidated balance sheet, of which \$32 million and \$34 million, respectively, was recognized in revenue and \$6 million and \$1 million, respectively, was refunded due to cancellations by travelers during the three months ended March 31, 2020 and 2019, 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. 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. There were no significant changes in contract assets or deferred revenue during the three months ended March 31, 2020 and 2019 related to business combinations, impairments, cumulative catch-ups or other material adjustments. However, to the extent the COVID-19 pandemic continues, we may incur significant and unanticipated cancellations, re-bookings and similar matters from our customers related to future travel, accommodations and tour bookings, which had been reserved by travelers in the pre-COVID-19 timeframe and recorded as deferred revenue on our consolidated balance sheet as of March 31, 2020 and December 31, 2019.

NOTE 4: EARNINGS PER SHARE

Basic Earnings Per Share Attributable to Common Stockholders

We compute basic earnings per share, or Basic EPS, by dividing net income 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 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 the three months ended March 31, 2020, 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:

	Three months ended March 31,	
	2020	2019
Numerator:		
Net income (loss)	\$ (16)	\$ 26
Denominator:		
Weighted average shares used to compute Basic EPS	136,240	138,417
Weighted average effect of dilutive securities:		
Stock options	-	405
RSUs/MSUs	-	2,447
Weighted average shares used to compute Diluted EPS	136,240	141,269
Basic EPS	\$ (0.12)	\$ 0.19
Diluted EPS	\$ (0.12)	\$ 0.18

Potential common shares, consisting of outstanding stock options, service and performance-based restricted stock units (“RSUs”) and market-based restricted stock units (“MSUs”), totaling approximately 17.0 million shares and 3.5 million shares for the three months ended March 31, 2020 and 2019, respectively, have been excluded from the calculation of Diluted EPS because their effect would have been antidilutive. In addition, potential common shares of approximately 0.8 million shares and 0.5 million shares for three months ended March 31, 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.

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 are entitled to dividend equivalents, which will be payable to the holder subject to, and 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 5: 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 on our unaudited condensed consolidated statements of operations during the periods presented:

	Three months ended March 31,	
	2020	2019
	(in millions)	
Selling and marketing	\$ 4	\$ 5
Technology and content	11	12
General and administrative	11	10
Total stock-based compensation	26	27
Income tax benefit from stock-based compensation	(6)	(6)
Total stock-based compensation, net of tax effect	\$ 20	\$ 21

We capitalized \$4 million of stock-based compensation expense as internal-use software and website development costs during both the three months ended March 31, 2020 and 2019, respectively.

Stock-Based Award Activity and Valuation

2020 Stock Option Activity

A summary of our stock option activity, consisting primarily of service-based non-qualified stock options, during the three months ended March 31, 2020, 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 at December 31, 2019	6,017	\$ 50.27		
Granted	1,046	25.73		
Exercised	(1)	18.05		
Cancelled or expired	(120)	45.35		
Options outstanding at March 31, 2020	<u>6,942</u>	\$ 46.67	6.1	\$ -
Exercisable as of March 31, 2020	<u>3,808</u>	\$ 55.99	4.1	\$ -
Vested and expected to vest after March 31, 2020 (1)	<u>6,942</u>	\$ 46.67	6.1	\$ -

- (1) 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 March 31, 2020 was \$17.39. The total intrinsic value of stock options exercised for the three months ended March 31, 2020 and March 31, 2019, was not material and \$1 million, respectively.

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:

	Three months ended March 31,	
	2020	2019
Risk free interest rate	1.18%	2.47%
Expected term (in years)	5.30	5.19
Expected volatility	42.64%	42.51%
Expected dividend yield	— %	— %
Weighted-average grant date fair value	\$ 10.18	\$ 22.32

The total fair value of stock options vested was \$8 million for both the three months ended March 31, 2020 and 2019, respectively.

2020 RSU Activity

A summary of our RSU activity during the three months ended March 31, 2020 is 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, 2019	8,469	\$ 45.42	
Granted	4,439	25.71	
Vested and released (1)	(1,956)	48.71	
Cancelled	(538)	39.16	
Unvested RSUs outstanding as of March 31, 2020	<u>10,414</u>	\$ 36.34	\$ 181

- (1) Inclusive of 490,126 RSUs 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 Tripadvisor, Inc. 2018 Stock and Annual Incentive Plan (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 unaudited condensed consolidated statements of cash flows.

During the three months ended March 31, 2020, the Company reversed \$3 million of previously recorded stock-based compensation expense related to certain performance-based RSUs. As of March 31, 2020, the Company concluded that performance metrics required to be met in order for these awards to fully vest were no longer expected to be achievable, due to COVID-19's impact on our business.

A summary of our MSU activity during the three months ended March 31, 2020 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, 2019	389	\$ 40.99	
Granted (1)	133	28.15	
Vested and released	—	—	
Cancelled	—	—	
Unvested MSUs outstanding as of March 31, 2020	<u>522</u>	\$ 37.71	\$ 9

- (1) 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 be issued none at all. These MSUs were granted under the 2018 Plan.

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 being amortized on a straight-line basis over the requisite service period through December 31, 2022.

Total current income tax benefits associated with the exercise or settlement of Tripadvisor stock-based awards held by our employees was \$12 million and \$18 million during the three months ended March 31, 2020 and 2019, respectively.

Unrecognized Stock-Based Compensation

A summary of our remaining unrecognized stock-based compensation expense and the weighted average remaining amortization period at March 31, 2020 related to our non-vested equity awards is presented below (in millions, except in years information):

	Stock	
	Options	RSUs/MSUs
Unrecognized compensation expense	\$ 36	\$ 311
Weighted average period remaining (in years)	2.8	2.9

NOTE 6: FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels:

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.

Cash Equivalents and Marketable Securities

The following table shows our cash equivalents and marketable securities that are measured at fair value on a recurring basis and were categorized using the fair value hierarchy, as well as their classification on our unaudited condensed consolidated balance sheet as of March 31, 2020 (in millions):

	Amortized Cost	Fair Value (1)	Cash and Cash Equivalents
Level 1:			
Money market funds	57	57	57
Level 2:			
Term deposits	450	450	450
Total	\$ 507	\$ 507	\$ 507

(1) Unrealized gains or losses related to our cash equivalents and marketable securities were not material.

Our cash and cash equivalents consist of cash, money market funds and term deposits on hand in global financial institutions with maturities of 90 days or less at the date of purchase. We had no outstanding investments classified as either short-term or long-term marketable securities, as of March 31, 2020 and December 31, 2019, respectively, and no material realized gains or losses related to the sales of any marketable securities during and for the three months ended March 31, 2020 and 2019.

We classify our 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 used to measure the fair value of money market funds was 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 use forward contracts to reduce the effects of foreign currency exchange rate fluctuations on our cash flows. For the three months ended March 31, 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 are carried at fair value on our unaudited condensed consolidated balance sheets at March 31, 2020 and December 31, 2019. 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 foreign currency forward contracts in other income (expense), net on our unaudited condensed consolidated statement of operations. We

recorded a net gain of \$1 million for the three months ended March 31, 2020 related to our forward contracts. This amount was not material for the three months ended March 31, 2019.

The following table shows the notional principal amounts of our outstanding derivative instruments as of the periods presented:

	March 31, 2020	December 31, 2019
	(in millions)	
Foreign currency exchange-forward contracts (1) (2)	\$ 20	\$ 10

- (1) Derivative contracts address foreign currency exchange fluctuations for the Euro versus the U.S. dollar. The Company had four and one outstanding derivative contracts as of March 31, 2020 and December 31, 2019, respectively. 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 March 31, 2020 and December 31, 2019 was not material.

Counterparties to our outstanding forward contracts as of March 31, 2020 and December 31, 2019, 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 had not entered into any cash flow, fair value or net investment hedges as of March 31, 2020 or December 31, 2019.

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include accounts receivable and contract assets, accounts payable, deferred merchant payables, short-term debt, accrued expenses and other current liabilities, and long-term debt. The carrying amount of these financial instruments, with the exception of long-term debt, approximate their fair value because of the short maturity of these instruments as reported on our unaudited condensed consolidated balance sheets as of March 31, 2020 and December 31, 2019, respectively. The carrying value of long-term debt from our 2015 Credit Facility bears interest at a variable rate and therefore is also considered to approximate fair value.

The Company did not have any material assets or liabilities measured at fair value on a recurring basis using the Level 3 unobservable inputs at both March 31, 2020 and December 31, 2019.

Risks and Concentrations

Our business is subject to certain financial risks and concentrations, including concentration related to dependence on our relationships with our customers. For the year ended December 31, 2019 our two most significant travel partners, Expedia (and its subsidiaries) and Booking (and its subsidiaries), each accounted for more than 10% of our consolidated revenue and combined accounted for 33%, respectively, of our consolidated revenue, with nearly all of this revenue concentrated in our Hotels, Media & Platform segment. As of March 31, 2020, Expedia (and its subsidiaries) accounted for more than 10%, and when combined with Booking (and its subsidiaries), both entities accounted for a total of approximately 26% of our total accounts receivable and contract assets.

Financial instruments, which potentially subject us to concentration of credit risk at any point in time, generally consist primarily of cash and cash equivalents, corporate debt securities, forward contracts, and accounts receivable. We maintain some cash and cash equivalents balances with financial institutions that are in excess of Federal Deposit Insurance Corporation insurance limits. Our cash and cash equivalents are primarily composed of bank account balances with financial institutions primarily denominated in U.S. dollars, Euros, British pounds, and Australian dollars, as well as money market funds and term deposits. 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.

Non-Marketable Investments:

Equity Securities Accounted for under the Equity Method

The Company owns a 40% equity investment in Chelsea Investment Holding Company PTE Ltd, which is majority owned by Ctrip Investment Holding Ltd, a majority-owned subsidiary of Trip.com Group Limited. The Company determined it has the ability to exercise significant influence over the investee, and therefore recorded an equity method investment with a carrying value of \$40 million and \$41 million as of March 31, 2020 and December 31, 2019, respectively, included in non-marketable investments on our

unaudited condensed consolidated balance sheet. Due to the COVID-19 pandemic, we performed a qualitative assessment to evaluate whether our equity investment is impaired. During the three months ended March 31, 2020, we did not record any impairment loss on this equity investment.

Investments in Privately-Held Companies

We hold investments in equity securities of privately-held companies, which are typically at an early stage of the business cycle and do not have a readily determinable fair value. As of both March 31, 2020 and December 31, 2019, the total carrying value of these investments was \$14 million and included in non-marketable investments on our unaudited condensed consolidated balance sheet. Our policy is to measure these 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 to evaluate whether these investments are impaired and also monitor for any observable price changes. During the three months ended March 31, 2020 and 2019, we did not record any impairment loss on these equity investments or note any observable price change indicators.

NOTE 7: 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 as of the acquisition date. 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. We evaluate our reporting units when changes in our operating structure occur, and if necessary, reassign goodwill using a relative fair value allocation approach.

The Company conducted a thorough evaluation of relevant events and circumstances that would materially impact the fair value of each of our reporting units as of March 31, 2020. As part of this evaluation, it was noted that as of March 31, 2020 the Company's market capitalization remained significantly in excess of its book value. The Company also observed our most recently completed goodwill impairment analyses indicated significant excess fair values over carrying values across the different reporting units. In addition, the Company considered the change to reporting unit carrying values since the fourth quarter of 2019, and also performed targeted sensitivity analysis on previous assessments, which included applying hypothetical rate increases to the weighted-average cost of capital used in our income approach analyses given the current COVID-19 environment, and the estimated fair values remained in excess of the carrying values. Based on such evaluation, we do not believe it is more likely than not that the fair value of our reporting units are below their respective carrying values as of March 31, 2020. However, we believe the passage of time will provide new information regarding the expected duration and severity of impacts of COVID-19 on the economy as a whole and to our business. On March 18, 2020, we issued a press release on Form 8-K announcing the withdrawal of our previously announced full-year 2020 financial outlook guidance due to the increased adverse impacts of the COVID-19 pandemic and the uncertainty it has created on global travel trends. The Company's forecasting process in a COVID-19 environment is resulting in unprecedented challenges, given we are unable to predict the expected duration and severity of impacts of COVID-19 on our business. Accordingly, we believe all of our reporting units are at an elevated risk for impairment in future periods. A prolonged 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 Company will continue to monitor events and circumstances that may affect the fair value or carrying value of our reporting units, as well as to continue to evaluate the impact of reporting changes, if any, on the composition of our reporting units related to additional restructuring and related reorganization efforts, as discussed in "Note 14: *Subsequent Events*."

The following table summarizes our goodwill activity by reportable segment for the period presented:

	<u>Hotels, Media & Platform</u>	<u>Experiences & Dining</u>	<u>Other (2)</u>	<u>Total</u>
	(in millions)			
Balance as of December 31, 2019	\$ 405	\$ 333	\$ 102	\$ 840
Other adjustments (1)	-	(11)	(3)	(14)
Balance as of March 31, 2020	<u>\$ 405</u>	<u>\$ 322</u>	<u>\$ 99</u>	<u>\$ 826</u>

(1) Primarily related to impact of changes in foreign currency exchange rates to goodwill.

(2) Other consists of the combination of our Rentals, Flights/Cruises/Car, SmarterTravel, and Tripadvisor China business units and does not constitute a reportable segment.

NOTE 8: DEBT

2015 Credit Facility

We are party to a credit agreement with a group of lenders which, among other things, which as of March 31, 2020 provided for a \$1.2 billion unsecured revolving credit facility (the “2015 Credit Facility”) with a maturity date of May 12, 2022. Borrowings under the 2015 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. The Company may borrow from the 2015 Credit Facility in U.S. dollars, Euros and British pounds. In addition, our 2015 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 March 31, 2020, we had issued \$3 million of outstanding letters of credit under the 2015 Credit Facility. We are required to pay a quarterly commitment fee, at an applicable rate ranging from 0.15% to 0.30%, on the daily unused portion of the revolving credit facility for each fiscal quarter and additional fees in connection with the issuance of letters of credit. As of March 31, 2020, our unused revolver capacity was subject to a commitment fee of 0.15%, given the Company’s leverage ratio.

During the three months ended March 31, 2020, the Company borrowed \$700 million under the 2015 Credit Facility. These funds were drawn down as a precautionary measure and we intend that this borrowing will primarily be used to reinforce our liquidity position and preserve financial flexibility in light of current uncertainty in the global markets resulting from the COVID-19 pandemic. As of March 31, 2020, based on the Company’s leverage ratio, the Company was borrowing at an interest rate of 2.1% per annum, using a one-month interest period Eurocurrency Spread, which will reset periodically. As of December 31, 2019, the Company had no outstanding borrowings under the 2015 Credit Facility. For both the three months ended March 31, 2020 and 2019, we recorded total interest expense and commitment fees on our 2015 Credit Facility of \$1 million to interest expense on our unaudited condensed consolidated statements of operations. All unpaid interest and commitment fee amounts as of March 31, 2020 and December 31, 2019 were not material.

There is no specific repayment date prior to the maturity date for any borrowings under this credit agreement. We may voluntarily repay any outstanding borrowing under the 2015 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 2015 Credit Facility 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 2015 Credit Facility also requires us to maintain a maximum leverage ratio and contains certain customary affirmative covenants and events of default, including a change of control. If an event of default occurs, the lenders under the 2015 Credit Facility will be entitled to take various actions, including the acceleration of all amounts due under the 2015 Credit Facility. As of March 31, 2020 and December 31, 2019, we were in compliance with our debt covenants.

On May 5, 2020, we amended our 2015 Credit Facility (“Second Amendment”) to, among other things, suspend the leverage ratio covenant required to borrow on this facility beginning in the second quarter of 2020 and ending prior to September 30, 2021 (or such earlier date as elected by the Company), and replacing it with a minimum liquidity covenant, as well as downsizing its capacity to \$1.0 billion from \$1.2 billion. The Second Amendment also prohibits the Company from repurchasing shares of its common stock and paying dividends, among other restrictions, during the time period that the leverage ratio covenant has been suspended. In connection with the Second Amendment and as collateral to secure the obligations, the Company and certain subsidiaries have pledged, and granted security interests and liens in and on, substantially all of their assets. No change was made to the existing maturity date of the 2015 Credit Facility of May 12, 2022. Refer to Part II, Item 5. Other Information and “Note 14: *Subsequent Events*” for additional information on our Second Amendment.

Chinese Credit Facility

We are party to a \$30 million, one-year revolving credit facility with Bank of America (the “Chinese Credit Facility”) that is currently subject to review on a periodic basis with no specific expiration period. This credit facility generally bears interest at a rate based on the People’s Bank of China benchmark, including certain adjustments, which may be made in accordance with market conditions at the time of borrowing. As of both March 31, 2020 and December 31, 2019, there were no outstanding borrowings under this credit facility.

NOTE 9: INCOME TAXES

Each interim period is considered an integral part of the annual period and, accordingly, we measure our income tax expense using an estimated annual effective tax rate. An enterprise is required, at the end of each interim reporting period, to make its best estimate of the annual effective tax rate for the full fiscal year and use that rate to provide for income taxes on a current year-to-date basis, as adjusted for discrete taxable events that occur during the interim period.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The CARES Act is an emergency economic stimulus package in response to the COVID-19 pandemic, which among other things contains numerous income tax provisions. Some of these tax provisions are expected to be effective retroactively for fiscal years ended before the date of enactment. We anticipate that we will benefit from the temporary five-year net operating loss carryback provisions to generate a refund of previously paid income taxes, modifications to the net interest deduction limitations, the technical correction for qualified leasehold improvements, which changes 39-year property to 15-year property, eligible for 100% tax bonus depreciation, and potentially other provisions within the CARES Act.

We had income tax benefits of \$11 million and income tax expenses of \$7 million for the three months ended March 31, 2020 and 2019, respectively. The decrease in our income tax expense during the three months ended March 31, 2020, when compared to the same period in 2019, was primarily due to pretax losses incurred during the three months ended March 31, 2020 and a benefit of \$14 million from the tax rate differential in tax years applicable to U.S. loss carryforwards that became eligible for carryback under the CARES Act enacted in March 2020, offset by an increase in the recognition of stock-based compensation shortfalls related to the decline in the Company's stock price.

Our policy is to recognize accrued interest and penalties related to unrecognized tax benefits and income tax liabilities as part of our income tax expense. As of March 31, 2020, we had an accrued interest liability of \$22 million, net of federal and state benefit, and no penalties have been accrued.

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 and 2012 through 2016 tax years, under an employment tax audit by the IRS for the 2013 through 2016 tax years, and have various ongoing audits for 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. As of March 31, 2020, no material assessments have resulted, except as noted below regarding our 2009, 2010, and 2011 IRS audit with Expedia and our 2012 and 2013 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. 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 \$35 million to \$40 million at the close of the audit if the IRS prevails, after consideration of competent authority relief and transition tax regulations, exclusive of interest and penalties. 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 2013 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.

In July 2015, the United States Tax Court (the "Court") issued an opinion favorable to Altera with respect to Altera's litigation with the IRS. This opinion was submitted as a final decision under Tax Court Rule 155 during December 2015. The litigation relates to the treatment of stock-based compensation expense in an inter-company cost-sharing arrangement with Altera's foreign subsidiary. In its opinion, the Court accepted Altera's position of excluding stock-based compensation from its inter-company cost-sharing arrangement. The IRS appealed the Court decision on February 19, 2016. On June 7, 2019, a three-judge panel from the Ninth Circuit Court of Appeals reversed the Court's decision and upheld the validity of the Treasury regulation (Reg. sec. 1.482-7A(d)(2)) requiring stock-based compensation costs to be included in the costs shared in a cost-sharing arrangement. Based on this Ninth Circuit Court of Appeals decision, we recorded a cumulative income tax expense of \$15 million during the year ended December 31, 2019, which was a reversal of income tax benefits taken by the Company since the Court's 2015 opinion. If the June 7, 2019 Ninth Circuit Court of Appeals decision is reversed, we would anticipate recording an income tax benefit at that time. In November 2019, the Ninth Circuit denied Altera's request for a rehearing en banc. On February 10th, 2020, Altera filed a certiorari petition with the Supreme Court, asking it to hear an appeal of the Ninth Circuit's decision. The Commissioner of Internal Revenue has until May 14, 2020 to file its

response to Altera’s petition to the Supreme Court. If the Supreme Court does not hear the appeal, the Ninth Circuit’s decision will be final. The Company will continue to monitor this matter and related potential impacts to its consolidated financial statements.

NOTE 10: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following for the periods presented:

	March 31, 2020	December 31, 2019
	(in millions)	
Accrued employee salary, bonus, and related benefits	\$ 30	\$ 74
Accrued marketing costs	17	27
Current income taxes payable	4	14
Finance lease liability - current portion	5	5
Operating lease liability - current portion	20	20
Other (1)	70	63
Total	<u>\$ 146</u>	<u>\$ 203</u>

- (1) The Company incurred pre-tax restructuring and other related reorganization costs of \$9 million during the three months ended March 31, 2020, related to workforce reductions, which was recorded on our unaudited condensed consolidated statement of operations, of which \$7 million was paid during the quarter and \$2 million remains unpaid and is included in accrued expenses and other current liabilities on our unaudited condensed consolidated balance sheet as of March 31, 2020.

NOTE 11: COMMITMENTS AND CONTINGENCIES

There have been no material changes to our commitments and contingencies since December 31, 2019. Refer to “Note 14: *Commitments and Contingencies*,” in the notes to our consolidated financial statements in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2019.

Legal Proceedings

In the ordinary course of business, we are party to regulatory and legal matters, including threats thereof, arising out of our operations. These matters may involve claims involving patent and intellectual property rights (including 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 free speech, labor and employment matters and commercial disputes. 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 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 9: *Income Taxes*” for further information on potential contingencies surrounding income taxes.

NOTE 12: STOCKHOLDERS’ EQUITY

On January 31, 2018, our Board of Directors authorized an additional repurchase of up to \$250 million of our shares of common stock under a share repurchase program. This share repurchase program has no expiration date but may be suspended or terminated by our Board of Directors at any time. The Company did not repurchase any shares of outstanding common stock during the three months

end March 31, 2019 under the share repurchase program. As of December 31, 2019, we had \$190 million remaining available to repurchase shares of our common stock under this share repurchase program. During the three months ended March 31, 2020, we repurchased 4,707,450 shares of our outstanding common stock at an average share price of \$24.32 per share, exclusive of fees and commissions, or \$115 million in the aggregate. As of March 31, 2020, we had \$75 million remaining available to repurchase shares of our common stock under this share repurchase program, and there were 18,823,984 shares of the Company's common stock held in treasury with an aggregate cost of \$722 million.

While the Board of Directors has not suspended or terminated the share repurchase program, our Second Amendment currently prohibits the Company from engaging in share repurchases. Refer to "Note 14: *Subsequent Events*" for further information about our Second Amendment.

Our Board of Directors authorized and directed management, working with the Executive Committee of our Board of Directors, to affect the share repurchase programs discussed above in compliance with applicable legal requirements.

NOTE 13: SEGMENT 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 Tripadvisor-branded hotel metasearch auction revenue, and to a lesser extent transaction revenue from our hotel instant booking feature, subscription-based advertising and hotel sponsored placements advertising revenue; and (2) Tripadvisor-branded display and platform revenue – consisting of Tripadvisor-branded display-based revenue. All remaining business units have been combined into and reported as "Other", which includes Rentals, Flights/Cruises/Car, SmarterTravel, and Tripadvisor China, as none of these businesses meet the quantitative thresholds and other criteria to qualify as reportable segments, and therefore are combined and disclosed as Other. The nature of the services provided and revenue recognition policies are summarized by reported segment in "Note 3: *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 for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation and other stock-settled obligations; (6) goodwill, long-lived asset and intangible asset impairments; (7) legal reserves and settlements; (8) restructuring and other related reorganization costs; and (9) non-recurring expenses and income.

The following tables present our segment information for the three months ended March 31, 2020 and 2019 and includes a reconciliation of Adjusted EBITDA to Net Income. We record depreciation of property and equipment, including amortization of internal-use software and website development, amortization of intangible assets, stock-based compensation and other stock-settled obligations, legal reserves and settlements, restructuring and other related reorganization costs, other income (expense), net, other non-recurring expenses and income, net, and income taxes, 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 in Other.

	Three months ended March 31, 2020				
	Hotels, Media & Platform (1)	Experiences & Dining	Other (2) (in millions)	Corporate and Unallocated	Total
Revenue	\$ 169	\$ 83	\$ 26	\$ -	\$ 278
Adjusted EBITDA	53	(19)	6	-	40
Depreciation				(25)	(25)
Amortization of intangible assets				(7)	(7)
Stock-based compensation				(26)	(26)
Restructuring and other related reorganization costs				(9)	(9)
Operating income (loss)					(27)
Other income (expense), net					-
Income (loss) before income taxes					(27)
(Provision) benefit for income taxes					11
Net income (loss)					(16)

	Three months ended March 31, 2019				
	Hotels, Media & Platform (1)	Experiences & Dining	Other (2) (in millions)	Corporate and Unallocated	Total
Revenue	\$ 254	\$ 80	\$ 42	\$ -	\$ 376
Adjusted EBITDA	105	(24)	8	-	89
Depreciation				(23)	(23)
Amortization of intangible assets				(8)	(8)
Stock-based compensation				(27)	(27)
Operating income (loss)					31
Other income (expense), net					2
Income (loss) before income taxes					33
(Provision) benefit for income taxes					(7)
Net income (loss)					26

- (1) Includes allocated corporate general and administrative costs of \$18 million and \$14 million and Tripadvisor-branded advertising expenses (primarily television advertising) of \$4 million and \$29 million for the three months ended March 31, 2020 and 2019, respectively.
- (2) Other consists of the combination of our Rentals, Flights/Cruises/Car, SmarterTravel and Tripadvisor China business units and does not constitute a reportable segment.

NOTE 14: SUBSEQUENT EVENTS

On April 28, 2020, management approved and the Company described additional cost reduction measures in response to the continued economic and financial impacts to the Company as a result of the COVID-19 pandemic; which includes the following:

- Enacting a workforce reduction impacting approximately 700 employees and, depending on the outcome of country-specific consultation processes, may impact approximately 200 additional employees of the Company's workforce;
- 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;
- Executing on a temporary 20% reduced work schedule and corresponding pay reduction for most of our remaining North American employees, and planning to do the same in other markets, subject to local employment processes; and
- Making targeted reductions of the Company's office lease portfolio.

The Company expects to incur total pre-tax restructuring and other related reorganization costs in an estimated range of approximately \$30 million to \$35 million in the second quarter of 2020.

On May 5, 2020, Tripadvisor, Inc., a Delaware corporation (the "Company"), Tripadvisor Holdings, LLC, a Massachusetts limited liability company ("Holdings"), and Tripadvisor LLC, a Delaware limited liability company ("Tripadvisor"), entered into the Second Amendment (the "Second Amendment"), among the Company, Holdings, Tripadvisor, 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. The Second Amendment modifies the Credit Agreement dated as of June 26, 2015 (as amended by the First Amendment dated May 12, 2017 and the Second Amendment, the “Amended Credit Agreement”), among the Company, Holdings, TripAdvisor, the other Borrowers from time to time party thereto, the Lenders from time to time party thereto, the Administrative Agent and the London Agent. All defined terms not otherwise defined herein shall have the meaning ascribed to them in the Amended Credit Agreement.

The Second Amendment, among other things:

- suspends the leverage ratio covenant for each fiscal quarter ending after the effective date of the Second Amendment and ending prior to September 30, 2021 (or such earlier date as may be elected by the Company in its sole discretion) (such period, the “Leverage Covenant Holiday”);
- adds a minimum liquidity covenant, which requires that the Company and its wholly owned subsidiaries to maintain \$150 million of unrestricted cash, cash equivalents and short-term investments less deferred merchant payables plus available revolver capacity, and which shall apply solely during the Leverage Covenant Holiday;
- increases the interest rate margins applicable to revolving loans outstanding and increases the commitment fee on unused revolving commitments, in each case, during any period commencing with the effective date of the Second Amendment and through the Leverage Covenant Holiday; and
- decreases the aggregate amount of revolving loan commitments available under the Second Amendment from \$1.2 billion to \$1.0 billion.

In connection with the Amendment and as collateral to secure the obligations of the Company and its subsidiaries under the Second Amendment, the Company and certain of its subsidiaries have pledged, and granted security interests and liens in and on, substantially all of their respective tangible and intangible assets (including accounts receivable, contract rights and other general intangibles, intellectual property, inventory, equipment, goods, instruments and equity interests and other investment property, and intercompany indebtedness), in each case, subject to customary exceptions. The foregoing pledges, security interests and liens will remain in effect until the Collateral Release Date (as defined in the Amendment).

The Second Amendment includes restrictions on the ability of the Company and its subsidiaries to incur additional indebtedness, repurchase shares, and make investments, dispositions, dividends and other payments, with certain exceptions as more specifically described in the Second Amendment.

The Second Amendment contains customary events of default. If an event of default occurs and is continuing, then, among other things, the lenders may declare any outstanding obligations under the Credit Agreement to be immediately due and payable and exercise rights and remedies against the collateral.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The information included in this Management’s Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our unaudited condensed consolidated financial statements and the accompanying notes included in this Quarterly Report on Form 10-Q, and the consolidated financial statements and accompanying notes, as well as Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2019.

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the views of our management regarding current expectations and projections about future events and are based on currently available information. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, but not limited to, those discussed in this Quarterly Report on Form 10-Q for the three months ended March 31, 2020, Part II, Item 1A, “*Risk Factors.*” Other unknown or unpredictable factors also could have a material adverse effect on our business, financial condition and results of operations. Accordingly, readers should not place undue reliance on these forward-looking statements. The use of words such as “anticipates,” “estimates,” “expects,” “intends,” “plans” and “believes,” among others, generally identify forward-looking statements; however, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. We are not under any obligation to, and do not intend to, publicly update or review any of these forward-looking statements, whether as a result of new information, future events or

otherwise, even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized. Please carefully review and consider the various disclosures made in this report and in our other reports filed with the SEC that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

Overview

Tripadvisor is a leading online travel company and our mission is to help people around the world plan, book and experience the perfect trip. We operate a global travel platform that connects the world's largest 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.

Under our flagship brand, Tripadvisor, we launched www.Tripadvisor.com in the U.S. in 2000. Since then, we have launched localized versions of the Tripadvisor website in 48 markets and 28 languages worldwide. Tripadvisor features 860 million reviews and opinions on 8.7 million places to stay, places to eat and things to do – including 1.5 million hotels, inns, B&Bs and specialty lodging, 784,000 rental properties, 4.6 million restaurants, 1.3 million travel activities and experiences worldwide, 500,000 airlines, and 70,000 cruises. Tripadvisor's rich content and engaged community attract the world's largest travel audience, based on monthly unique visitors, including 463 million average monthly unique visitors in the third quarter of 2019 during the peak summer travel season.

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.airfarewatchdog.com, www.bokun.io, www.bookingbuddy.com, www.cruisecritic.com, www.familyvacationcritic.com, www.flipkey.com, www.thefork.com (including www.lafourchette.com, www.eltenedor.com, and www.bookatable.co.uk), www.holidaylettings.co.uk, www.holidaywatchdog.com, www.housetrip.com, www.jetsetter.com, www.niumba.com, www.onetime.com, www.oyster.com, www.seatguru.com, www.singleplatform.com, www.smartertravel.com, www.vacationhomerentals.com, and www.viator.com.

Executive Financial Summary and Business Trends

Tripadvisor is the world's largest online travel site, as measured by average unique monthly visitors. As a result, Tripadvisor represents an attractive platform for travel partners – including hotel chains, independent hoteliers, OTAs, destination marketing organizations, 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 rental properties, tours, travel activities and experiences, and restaurants; and book a number of these travel experiences either directly on our websites or mobile apps, or on our travel partners' websites or mobile apps. Key drivers of our financial results are described below, including current trends affecting our business, and our segment reporting information.

Our Long-Term Growth Strategy

Phocuswright, an independent travel, tourism and hospitality research firm, estimates the annual global travel market (not including dining) at \$1.7 trillion of bookings and we believe that Tripadvisor's influence in the travel ecosystem remains significant. Our growth strategy aims to increase revenue by deepening customer engagement on our platform by pursuing the following key strategies, including:

- continue building products that reduce friction throughout the travel planning and trip-taking journey and delight travelers;
- deepen consumer engagement with our platform (including, but not limited to, membership growth, mobile app engagement and overall repeat usage);
- invest in technology to further improve our customer and supplier experiences;
- deepen travel partner engagement with our platform by expanding the number of products and services we offer;
- invest in and grow certain categories where we lead the broader travel market today and/or can leverage unique assets, such as hotel business to business (“B2B”) services, media advertising, experiences and restaurants;
- leverage our technological and operational efficiencies; and
- opportunistically pursue strategic acquisitions.

Business Trends

The online travel industry in which we operate is large and growing and also remains 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 reportable segments. We describe these dynamics, as well as other trends in our business, below.

COVID-19

In December 2019, a novel strain of coronavirus (“COVID-19”) was reported in Wuhan, China. On January 30, 2020, the World Health Organization (“WHO”) declared COVID-19 to constitute a “Public Health Emergency of International Concern” and subsequently, on March 11, 2020, declared COVID-19 to constitute a “Pandemic.” On March 13, 2020, the President of the United States declared a State of National Emergency due to the COVID-19 pandemic. Other countries affected by the outbreak took similar measures. Initially, such decline and cancellations predominantly related to travel to certain limited geographies. By the end of February and increasingly in March 2020, concerns about COVID-19 had intensified on a global basis and have been materially and negatively impacting travel demand generally, with widespread travel restrictions imposed by governments and businesses. Many jurisdictions, particularly in North America (including the U.S.), Asia and Europe, have adopted laws, rules, regulations or decrees intended to address the COVID-19 pandemic, including implementing various travel restrictions, “shelter in place” or “social distancing” mandates; restricting access to city centers or popular tourist destinations and restaurants or limiting other accommodation offerings in surrounding areas.

The impact of COVID-19 has caused material declines in consumer demand within the travel, hospitality, restaurant, and leisure industry; and consequently adversely and materially affected our business, results of operations and financial condition during the three months ended March 31, 2020. Starting in late February 2020 and progressively worsening through March 2020, we experienced a significant decline in user demand for our products and services as well as an increase in customer cancellations. The adverse impact to our business from COVID-19 intensified in the second half of March, driven by increased governmental restrictions and mandates globally that additionally impacted the travel, hospitality, restaurant, and leisure industry and further dampened consumer demand for our products and services. For example, we estimate daily bookings and revenue across our segments and products declined year-over-year generally by more than 90% during the last half of March 2020, and we continued to experience similar year-over-year declines throughout the month of April 2020. In addition, we incurred significant and unanticipated cancellations, re-bookings and similar matters from travelers related to future travel, accommodations and tour bookings, which had been reserved by travelers in the pre-COVID-19 timeframe, including a number of bookings recorded as deferred revenue on our consolidated balance sheet as of December 31, 2019. As the COVID-19 pandemic continues to develop, governments, corporations and other authorities may continue to implement restrictions or policies that continue to adversely impact our business. We also believe the travel industry and our business will continue to be materially adversely affected while travel restrictions remain in place.

We have been working with travelers and travel partners to address cancellations, rebookings, and other similar matters. In addition, in certain cases we have provided our travel partners extended payment terms, discounts and other incentives. We also have business continuity programs in place to ensure that employees are safe and that our teams continue to function effectively while working remotely. In addition, we have taken several steps to further strengthen our financial position and balance sheet, and maintain financial liquidity and flexibility, including restructuring and reducing our ongoing operating expenses, by borrowing funds from our 2015 Credit Facility, and amending our 2015 Credit Facility, all of which are described in more detail below.

Liquidity

During the three months ended March 31, 2020, we borrowed \$700 million from our 2015 Credit Facility. We intend to use this cash to reinforce our liquidity position and preserve financial flexibility in light of current uncertainty in the global markets resulting from the COVID-19 pandemic. We believe this additional flexibility will be important given our limited ability to predict our future financial performance due to the uncertainty associated with COVID-19 and the measures implemented in reaction to COVID-19. In addition, on May 5, 2020, we amended our 2015 Credit Facility, the Second Amendment, to among other things, suspend the leverage ratio covenant for each fiscal quarter ending after the effective date of the Second Amendment and ending prior to September 30, 2021; and replace it with a minimum liquidity covenant, and provide collateral to secure the obligations under the agreement, as well as downsize its capacity to \$1.0 billion from \$1.2 billion. Refer to Part II. Item 5. Other Information and “Note 14: *Subsequent Events*” in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for further information about our Second Amendment.

Although we cannot predict with certainty the full impact of the COVID-19 pandemic on our second quarter 2020 financial results, we currently expect that our second quarter 2020 financial results will be negatively impacted to a material degree. We expect revenue, net income and adjusted EBITDA to decline significantly year-over-year as compared to the second quarter of 2019; potentially at the low end of the observed declines in the second half of March 2020 and throughout April 2020. We also believe that

significant year-over-year declines may continue beyond the second quarter of 2020. The ultimate extent of the COVID-19 pandemic and its impact on travel, regional and global markets, and overall economic activity in currently affected countries or globally is unknown and impossible to predict with certainty. Therefore, the extent and duration of the impact of the COVID-19 pandemic on our business over the long term remains largely uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of COVID-19, the extent and effectiveness of containment actions taken, including mobility and travel restrictions, and the impact of these and other factors on consumer travel behavior.

Cost Reduction Measures

Early in the first quarter of 2020, the Company instituted cost reduction measures to preserve cash flows, including targeted workforce reduction measures largely in the Experiences and Dining segment, in addition to optimizing and reducing brand advertising as the Company pivots to leverage newer and expectantly more effective mediums to our historically television-focused campaign. The Company incurred pre-tax restructuring and related reorganization costs of \$9 million during the three months ended March 31, 2020, related to workforce reductions. Such costs were recorded on our unaudited condensed consolidated statement of operations.

In response to the economic impact of the COVID-19 pandemic, the Company instituted additional cost reduction measures during the latter part of the first quarter of 2020; which included the elimination of the majority of discretionary spending, business travel, non-critical vendor relationships, brand advertising, cessation of nearly all new hiring and contingent staff, reduction of targeted employee benefits and the furloughing of over 100 employees. On April 28, 2020, management approved and the Company announced additional cost reduction measures in response to the continued economic and financial impacts to the Company as a result of the COVID -19 pandemic; which includes the following:

- Enacting a workforce reduction eliminating more than 700 employees and, depending on the outcome of country-specific consultation processes, may impact an approximately 200 additional employees of the Company's workforce;
- 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;
- Executing on a temporary 20% reduced work schedule and corresponding pay reduction for most of our remaining North American employees, and planning to do the same in other markets, subject to local employment processes; and
- Making targeted reductions of the Company's office lease portfolio.

The Company expects to incur total pre-tax restructuring and other related reorganization costs in an estimated range of approximately \$30 million to \$35 million in the second quarter of 2020 as a result of these measures.

CARES Act Relief

On March 27, 2020, the U.S. government enacted the CARES Act, which among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. Based on our preliminary evaluation of the CARES Act, we qualify for certain employer payroll tax credits and the deferral of payroll and other tax payments in the future, as well as certain income tax related provisions. Most notably, during the three months ended March 31, 2020, the Company recorded an income tax benefit of \$14 million resulting from a loss carryback provision under the CARES Act. Refer to "Note 9: *Income Taxes*" in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for further information.

Hotels, Media & Platform Segment

We operate the Hotels, Media & Platform segment for profit while also driving increased client engagement with – and high-margin media advertising revenue from – the Tripadvisor platform. We seek to achieve this by delivering consumers a holistic product experience and by offering travel partners a diversified number of advertising opportunities.

For consumers, we seek to 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 – as well as 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 and achieve revenue growth through hotel-related product improvements, supply and marketing efforts and customer advertising opportunities. We rely heavily on search engines, such as Google, to generate a significant amount of hotel shoppers to our websites, principally through SEO as well as through SEM. We define hotel shoppers as visitors who view either a listing of hotels in a city or on a specific hotel page. Given our ongoing focus on Hotels, Media & Platform profitability, a key ongoing objective is to attract or acquire hotel shoppers at or above our desired marketing return on investment targets. However, our business, including the Hotels, Media & Platform segment's financial results have been adversely and materially impacted by the COVID-19 pandemic, which was the primary and material driver of this segment's unfavorable results during the three months ended March 31, 2020 as noted in the "COVID-19" discussion above. In addition, during the three months ended March 31, 2020, particularly in the month of January and most of February 2020 (or pre-COVID-19 timeframe) we continued to experience revenue headwinds in our SEO marketing channel, which we believe was impacted by search engines (primarily Google) increasing the prominence of their own hotel products in search results and expect this trend to continue post-COVID-19.

We believe executing our long-term growth strategy can enable us to deepen customer engagement on our platform, monetize our influence and stabilize – and eventually grow – Hotels, Media & Platform segment revenue. 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 also intend to deliver this broadened solution to a larger set of advertising travel endemic and non-travel endemic advertising partners, including industries such as airlines and finance.

In addition, we are focused on initiatives to increase our traffic quality and deepen customer engagement on our platform, including membership growth, personalization, and mobile app initiatives we believe can lead to increased monetization over time in this segment. For example, there remains not only an opportunity to continue to grow our member base, but also to deepen member engagement by making membership more valued, through building communities and leveraging our content to further personalize trip-planning features.

Experiences & Dining Segment

Experiences and Dining offerings enable us to deliver consumers a more comprehensive experience, which we believe will increase awareness of, loyalty to, and engagement with our products, drive more bookings to Experiences and Dining partners and generate greater revenue and increased profitability on our platform. Given the significant market opportunities in these large and growing categories, as well as competition aiming to provide consumers a similar multimodal experience, we expect to continue to invest to drive bookings and revenue growth. However, our Experiences and Dining segment's financial results has been adversely and materially impacted by the COVID-19 pandemic during the three months ended March 31, 2020. We have begun to explore new initiatives to delight and engage consumers during this pandemic. For example, we began offering virtual tours to our consumers. This is addition to other recent initiatives, such as the recent rollout of a new payment option in late 2019, which enables consumers to reserve certain experience activities and defer payment until a date no later than two days before the experience date. In addition, we have generally provided our supply partners with accelerated payments to ease their burden during the pandemic.

In December 2019, we acquired U.K.-based Bookatable, which offers an online restaurant reservation and booking platform. This further strengthens our position in certain of our existing European markets as well as expands us into new countries, such as the U.K., Germany, Austria, Finland and Norway. TheFork's online restaurant booking platform, which, including Bookatable, had approximately 81,000 total bookable restaurants, as of March 31, 2020.

Other

Other is a combination of our Rentals, Flights/Cruises/Car, SmarterTravel, and Tripadvisor China business units and is not considered a reportable segment. Profits have been relatively stable to slightly negative and revenues have declined in the most recent period primarily due to the COVID-19 pandemic, similar to our other business units. We continue to operate these offerings opportunistically as they complement our overall strategic objectives to deliver more value to consumers and travel partners.

Employees

As of March 31, 2020, we had 3,912 employees. Of these employees, nearly 43% were based in the U.S. We believe we have good relationships with our employees, including relationships with employees represented by international works councils or other similar organizations.

On April 28, 2020, as discussed above, management approved and the Company announced a workforce reduction, reducing our headcount to approximately 3,000 employees, which includes furloughed employees and employees that are currently the subject of country specific consultation processes.

Seasonality

Consumers' travel expenditures follow a seasonal pattern. Correspondingly, travel partners' advertising investments and, therefore, our revenue and profits, also follow 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. Significant shifts in our business mix or adverse economic conditions, including the impact of COVID-19, could result in future seasonal patterns that are different from historical trends.

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are those that we believe are important in the preparation of our consolidated financial statements because they require that management use judgment and estimates in applying those policies. 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 significant judgment 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.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Recoverability of 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 as of the acquisition date. 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. We evaluate our reporting units when changes in our operating structure occur, and if necessary, reassign goodwill using a relative fair value allocation approach.

The Company conducted a thorough evaluation of relevant events and circumstances that would materially impact the fair value of each of our reporting units as of March 31, 2020. As part of this evaluation, it was noted that as of March 31, 2020 the Company's market capitalization remained significantly in excess of its book value. The Company also observed our most recently completed goodwill impairment analyses indicated significant excess fair values over carrying values across the different reporting units. In addition, the Company considered the change to reporting unit carrying values since the fourth quarter of 2019, and also performed targeted sensitivity analysis on previous assessments, which included applying hypothetical rate increases to the weighted-average cost of capital used in our income approach analyses given the current COVID-19 environment, and the estimated fair values remained in excess of the carrying values. Based on such evaluation, we do not believe it is more likely than not that the fair value of our reporting units are below their respective carrying values as of March 31, 2020. However, we believe the passage of time will provide new information regarding the expected duration and severity of impacts of COVID-19 on the economy as a whole and to our business. On March 18, 2020, we issued a press release on Form 8-K announcing the withdrawal of our previously announced full-year 2020 financial outlook guidance due to the increased adverse impacts of the COVID-19 pandemic and the uncertainty it has created on global travel trends. The Company's forecasting process in a COVID-19 environment is resulting in unprecedented challenges, given we are unable to predict the expected duration and severity of impacts of COVID-19 on our business. Accordingly,

we believe all of our reporting units are at an elevated risk for impairment in future periods. A prolonged 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 Company will continue to monitor events and circumstances that may affect the fair value or carrying value of our reporting units, as well as to continue to evaluate the impact of reporting changes, if any, on the composition of our reporting units related to additional restructuring and related reorganization efforts, as discussed in “Note 14: *Subsequent Events*” in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q.

Significant Accounting Policies and New Accounting Pronouncements

Refer to “Note 2: *Significant Accounting Policies*” in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for an overview of new accounting pronouncements that we have adopted in the first quarter of 2020 or that we plan to adopt that have had or may have an impact on our unaudited condensed consolidated financial statements. Notably, in the first quarter of 2020, we adopted the new credit losses guidance, or ASC 326, using the modified retrospective approach and applied the guidance retrospectively at the effective date of January 1, 2020, through a cumulative-effect adjustment to retained-earnings on our consolidated balance sheet. Under this transition method, we did not update the financial information or provide any disclosures required under the new guidance for dates and periods prior to January 1, 2020.

With the exception of the change for the accounting of credit losses as a result of adopting ASC 326, as described above, there have been no other significant changes to our significant accounting policies since December 31, 2019, as described under “Note 2: *Significant Accounting Policies*”, in the notes to consolidated financial statements in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2019.

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

	Three months ended March 31,		% Change 2020 vs. 2019
	2020	2019	
Revenue	\$ 278	\$ 376	(26)%
Costs and expenses:			
Cost of revenue	19	21	(10)%
Selling and marketing	129	178	(28)%
Technology and content	73	73	0%
General and administrative	52	42	24%
Depreciation	25	23	9%
Amortization of intangible assets	7	8	(13)%
Total costs and expenses:	305	345	(12)%
Operating income (loss)	(27)	31	n.m.
Other income (expense):			
Interest expense	(2)	(2)	0%
Interest income	1	4	(75)%
Other income (expense), net	1	—	n.m.
Total other income (expense), net	—	2	(100)%
Income before income taxes	(27)	33	n.m.
(Provision) benefit for income taxes	11	(7)	n.m.
Net income (loss)	\$ (16)	\$ 26	n.m.
Other Financial Data:			
Adjusted EBITDA (1)	\$ 40	\$ 89	(55)%

n.m. = *not meaningful*

(1) See “Adjusted EBITDA” discussion below for more information.

Revenue and Segment Information

	Three months ended March 31,		% Change 2020 vs. 2019
	2020	2019	
(in millions)			
Revenue by Segment:			
Hotels, Media & Platform	\$ 169	\$ 254	(33)%
Experiences & Dining	83	80	4%
Other (1)	26	42	(38)%
Total revenue	<u>\$ 278</u>	<u>\$ 376</u>	(26)%
Adjusted EBITDA by Segment:			
Hotels, Media & Platform	\$ 53	\$ 105	(50)%
Experiences & Dining	(19)	(24)	21%
Other (1)	6	8	(25)%
Total Adjusted EBITDA	<u>\$ 40</u>	<u>\$ 89</u>	(55)%
Adjusted EBITDA Margin by Segment (2):			
Hotels, Media & Platform	31%	41%	
Experiences & Dining	(23)%	(30)%	
Other (1)	23%	19%	

- (1) Other consists of our Rentals, Flights/Cruises/Car, SmarterTravel, and Tripadvisor China business units and does not constitute a reportable segment.
(2) We define "Adjusted EBITDA Margin by Segment" as Adjusted EBITDA by segment divided by revenue by segment.

Hotels, Media & Platform Segment

Hotels, Media & Platform segment revenue decreased by \$85 million or 33% during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to a decrease in our hotel metasearch auction revenue driven by the COVID-19 pandemic as discussed above, and to a lesser extent reduced revenue generated through our SEO marketing channel, particularly in the month of January and most of February 2020 (or pre-COVID-19 timeframe), which we believe was impacted by search engines (primarily Google) increasing the prominence of their own hotel products in search results.

Hotels, Media & Platform segment Adjusted EBITDA decreased \$52 million or 50% during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to a decrease in revenue, as noted above, partially offset primarily by reduced television advertising costs, as well as direct selling and marketing expenses related to SEM and other online paid traffic acquisition costs.

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

	Three months ended March 31,		% Change 2020 vs. 2019
	2020	2019	
(in millions)			
Hotels, Media & Platform:			
Hotels	\$ 137	\$ 216	(37)%
Display & platform	32	38	(16)%
Total Hotels, Media & Platform revenue	<u>\$ 169</u>	<u>\$ 254</u>	(33)%

Tripadvisor-branded Hotels Revenue

Tripadvisor-branded hotels revenue primarily includes hotel metasearch auction revenue, and to a lesser extent hotel B2B revenue, which includes click-based revenue generated from hotel sponsored placements 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 three months ended March 31, 2020 and 2019, 81% and 85%, respectively, of our total Hotels, Media & Platform segment revenue was derived from Tripadvisor-branded hotels revenue. Tripadvisor-branded hotels revenue decreased \$79 million or 37% during the three months ended March 31, 2020, when compared to the same period in 2019. This decrease was primarily driven by reduced consumer demand as a result of widespread travel restrictions imposed by governments and businesses in response to the COVID-19 pandemic. In addition, particularly in the month of January and most of February 2020 (pre-COVID-19 timeframe), we experienced reduced

revenue generated through our SEO marketing channel, which we believe is impacted by search engines (primarily Google) increasing the prominence of their own hotel products in search results.

Tripadvisor-branded Display and Platform Revenue

For the three months ended March 31, 2020 and 2019, 19% and 15%, respectively, of Hotels, Media & Platform segment revenue was derived from our Tripadvisor-branded display and platform revenue, which consists of revenue from Tripadvisor-branded display-based advertising.

Tripadvisor-branded display-based advertising revenue decreased by \$6 million or 16% during the three months ended March 31, 2020, when compared to the same period in 2019, primarily driven by a decrease in marketing spend from our advertisers due to lack of consumer demand resulting from the impact of the COVID-19 pandemic.

Experiences & Dining Segment

Experiences & Dining segment revenue increased by \$3 million or 4% during the three months ended March 31, 2020, when compared to the same period in 2019. The revenue growth in this segment was negatively impacted by the COVID-19 pandemic; as many jurisdictions, particularly in North America (including the U.S.), Asia and Europe, have adopted law, rules, regulations or decrees intended to address the COVID-19 pandemic, including implementing various travel restrictions, “shelter in place” or “social distancing” mandates, or restricting access to city centers or popular tourist destinations, restaurants and limiting access to experience offerings in surrounding areas, resulting in a significant reduction in consumer demand. This segment’s revenue did benefit from incremental revenue year-over-year of approximately \$11 million related to our December 2019 acquisitions of Bookatable and SinglePlatform in Dining.

Experiences & Dining segment Adjusted EBITDA increased \$5 million or 21% during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to reduced selling and marketing expenses related to SEM and other online paid traffic acquisition costs, in response to reduced consumer demand and lack of availability of dine-in restaurants, experiences and tours as a result of COVID-19.

Other

Other revenue, which primarily includes click-based advertising and display-based advertising revenue from our Rentals, and Flights, Cruises and Car offerings on Tripadvisor, and non-Tripadvisor branded websites, such as www.smartertravel.com, www.bookingbuddy.com, www.cruisecritic.com and www.onetime.com, decreased by \$16 million or 38% during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to decreased consumer demand, similar to our other businesses, as a result of widespread travel restrictions imposed by governments and businesses and reduced travel partner spend in response to the COVID-19 pandemic.

Adjusted EBITDA in Other decreased \$2 million or 25% during the three months ended March 31, 2020, when compared to the same period in 2019. This slight decrease was primarily due to a decrease in revenue, as described above, partially offset by a reduction in headcount to support our strategic initiatives in other areas of the Company and reduced costs related to marketing and other operational re-alignments.

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.

	Three months ended March 31,		% Change 2020 vs. 2019
	2020	2019	
	<i>(in millions)</i>		
Direct costs	\$ 12	\$ 16	(25%)
Personnel and overhead	7	5	40%
Total cost of revenue	\$ 19	\$ 21	(10%)
% of revenue	6.8%	5.6%	

Cost of revenue decreased \$2 million during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to decreased direct costs from credit card payment and other transaction costs in our Experiences & Dining segment and in Other due to a reduction in consumer demand related to the COVID-19 pandemic, as discussed above, partially offset by increased personnel and overhead costs related to additional personnel costs in our Experiences & Dining segment related to our business acquisitions in December 2019.

Selling and Marketing

Selling and marketing expenses primarily consist of direct costs, including traffic generation costs from SEM and other online traffic acquisition costs, syndication costs and affiliate program commissions, social media costs, brand advertising (including television and other offline advertising), promotions and public relations. In addition, our sales 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.

	Three months ended March 31,		% Change 2020 vs. 2019
	2020	2019	
	(in millions)		
Direct costs	\$ 64	\$ 121	(47%)
Personnel and overhead	65	57	14%
Total selling and marketing	\$ 129	\$ 178	(28%)
% of revenue	46.4%	47.3%	

Direct selling and marketing costs decreased \$57 million during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to a decrease in SEM and other online traffic acquisition costs across all our segments and businesses, and television advertising costs driven by our Hotels, Media & Platform segment, as a cost reduction measure in response to the financial impact to the Company and decline in consumer demand caused by the COVID-19 pandemic.

Personnel and overhead costs increased \$8 million during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to an increase in personnel costs in our Experiences & Dining segment related to our business acquisitions in December 2019, in addition to \$4 million of restructuring and other related reorganization costs incurred during the three months ended March 31, 2020, partially offset by decreased personnel and overhead costs in Other as a result of a reduction in headcount to support our strategic initiatives.

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 websites and mobile apps. Other costs include licensing, maintenance expense, computer supplies, telecom costs, content translation and localization costs, and consulting costs.

	Three months ended March 31,		% Change 2020 vs. 2019
	2020	2019	
	(in millions)		
Personnel and overhead	\$ 65	\$ 65	0%
Other	8	8	0%
Total technology and content	\$ 73	\$ 73	0%
% of revenue	26.3%	19.4%	

Technology and content costs were flat during the three months ended March 31, 2020, when compared to the same period in 2019, as an increase in personnel costs in our Experiences & Dining segment related to our business acquisitions in December 2019, in addition to \$3 million of restructuring and other related reorganization costs incurred during the three months ended March 31, 2020 was offset by an equivalent decrease of personnel and overhead costs in Other, as a result of a reduction in headcount to support our strategic initiatives.

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.

	Three months ended March 31,		% Change 2020 vs. 2019
	2020	2019	
	(in millions)		
Personnel and overhead	\$ 35	\$ 33	6%
Professional service fees and other	17	9	89%
Total general and administrative	\$ 52	\$ 42	24%
% of revenue	18.7%	11.2%	

General and administrative costs increased \$10 million during the three months ended March 31, 2020, when compared to the same period in 2019. Personnel and overhead costs increased \$2 million during the three months ended March 31, 2020 when compared to the same period in 2019, primarily related to restructuring and other related reorganization costs incurred during the three months ended March 31, 2020. Professional service fees and other increased \$8 million during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to an increase in bad debt expense, digital service tax, consulting and legal costs.

Depreciation

Depreciation expense consists of depreciation on computer equipment, leasehold improvements, furniture, office equipment and other assets, and amortization of capitalized software and website development costs and right-of-use (“ROU”) assets related to our finance lease.

	Three months ended March 31,	
	2020	2019
	(in millions)	
Depreciation	\$ 25	\$ 23
% of revenue	9.0%	6.1%

Depreciation expense increased \$2 million during the three months ended March 31, 2020, when compared to the same period in 2019 primarily due to increased amortization related to capitalized software and website development costs.

Interest Income

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

	Three months ended March 31,	
	2020	2019
	(in millions)	
Interest income	\$ 1	\$ 4

Interest income decreased \$3 million during the three months ended March 31, 2020, when compared to the same period in 2019, primarily due to a reduction in average interest rates earned on our investments and lower average invested funds by the Company during 2020.

Other Income (Expense), Net

Other income (expense), net primarily consists of net foreign exchange gains and losses, gains (losses) and impairments from non-marketable investments, and other non-operating income (expenses).

	Three months ended March 31,	
	2020	2019
	(in millions)	
Other income (expense), net	\$ 1	\$ -

Other income (expense), net increased \$1 million during the three months ended March 31, 2020 when compared to the same period in 2019 primarily due to net foreign currency transaction gains as a result of the fluctuation of foreign exchange rates during 2020.

Provision for Income Taxes

	Three months ended March 31,	
	2020	2019
	(in millions)	
(Provision) benefit for income taxes	\$ 11	\$ (7)
Effective tax rate	40.7%	21.2%

Our effective tax rates for the three months ended March 31, 2020 and 2019 were 40.7% and 21.2%, respectively. For the three months ended March 31, 2020, the effective tax rate was greater than the federal statutory rate primarily due to the tax rate differential for an expected U.S. net operating loss carryback, offset by an increase in the recognition of stock-based compensation shortfalls due to the recent decrease in the Company's market price.

We had income tax benefits of \$11 million and income tax expenses of \$7 million for the three months ended March 31, 2020 and 2019, respectively. The decrease in our income tax expense during the three months ended March 31, 2020, when compared to the same period in 2019, was primarily due to pretax losses incurred during the three months ended March 31, 2020 and a benefit of \$14 million from the tax rate differential in tax years applicable to U.S. loss carryforwards that became eligible for carryback under the CARES Act enacted in March 2020, offset by an increase in the recognition of stock-based compensation shortfalls related to the decline in the Company's stock price. Refer to "Note 9: *Income Taxes*" in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for further information.

Adjusted EBITDA

To provide investors with additional information regarding our financial results, we also disclose 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 for income taxes; (2) other income (expense), net; (3) depreciation of property and equipment, including amortization of internal use software and website development; (4) amortization of intangible assets; (5) stock-based compensation and other stock-settled obligations; (6) goodwill, long-lived asset and intangible asset impairments; (7) legal reserves and settlements; (8) restructuring and other related reorganization costs; and (9) 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 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; 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:

	Three months ended March 31,	
	2020	2019
	(in millions)	
Net income (loss)	\$ (16)	\$ 26
Add: (Benefit) Provision for income taxes	(11)	7
Add: Other expense (income), net	-	(2)
Add: Restructuring and other related reorganization costs	9	-
Add: Stock-based compensation	26	27
Add: Amortization of intangible assets	7	8
Add: Depreciation	25	23
Adjusted EBITDA	<u>\$ 40</u>	<u>\$ 89</u>

Related Party Transactions

For information on our relationship with LTRIP, which may be deemed to beneficially own equity securities representing 58.6% of our voting power as of March 31, 2020, refer to “Note 1: *Business Description and Basis of Presentation*” in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q. We had no related party transactions with LTRIP during the three months ended March 31, 2020 and 2019, respectively.

Stock-Based Compensation

Refer to “Note 5: *Stock Based Awards and Other Equity Instruments*” in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for further information on current year equity award activity, including the issuance of 1,045,777 service-based stock options with a weighted average grant-date fair value per option of \$10.18, 4,438,715 primarily service-based RSUs with a weighted average grant-date fair value of \$25.71, and 133,194 MSUs with a weighted average grant-date fair value of \$28.15 during the three months ended March 31, 2020.

Liquidity and Capital Resources

Our principal source of liquidity is cash flow generated from operations, and our liquidity needs can also be met through drawdowns under our 2015 Credit Facility and Chinese Credit Facility. As of March 31, 2020 and December 31, 2019, we had \$798 million and \$319 million, respectively, of cash and cash equivalents. As of March 31, 2020, approximately \$118 million of our cash and cash equivalents were held by our international subsidiaries outside of the U.S. of which approximately 40% was located in the U.K., with the significant majority of our international cash denominated in U.S. dollars. As of March 31, 2020, we had \$559 million of cumulative undistributed earnings in foreign subsidiaries. As a result of the 2017 Tax Act, foreign earnings may now generally be repatriated back to the U.S. without incurring U.S. federal income tax. Historically, we have asserted our intention to indefinitely reinvest the cumulative undistributed earnings of our foreign subsidiaries. In response to increased cash requirements in the U.S. related to our declaration of a special cash dividend and other strategic initiatives during the fourth quarter of 2019, we determined that we no longer consider \$441 million of these foreign earnings to be indefinitely reinvested. We intend to indefinitely reinvest \$118 million of our foreign earnings in our non-US subsidiaries. Determination of the amount of unrecognized deferred income tax liability related to these earnings is not practicable.

As of March 31, 2020, we had outstanding borrowings of \$700 million classified as long-term debt on our unaudited condensed consolidated balance sheet, within our U.S. subsidiaries under our 2015 Credit Facility. These funds were drawn down as a precautionary measure and we intend to use this borrowing primarily to reinforce our liquidity position and preserve financial

flexibility in light of current uncertainty in the global markets resulting from the COVID-19 pandemic; given our limited ability to predict our future financial performance due to the uncertain time period government travel restrictions and other implemented measures in reaction to COVID-19 will continue in our key markets; the U.S. and Europe. Based on the Company's current leverage ratio, our borrowings bear interest at LIBOR plus 125 basis points, or the Eurocurrency Spread. The Company is currently borrowing under a one-month interest period of 2.1% per annum, using a one-month interest period Eurocurrency Spread, which will reset periodically. Interest will be payable on a monthly basis while the Company is borrowing under the one-month interest rate period. As of March 31, 2020 and December 31, 2019, we were in compliance with our debt covenants.

On May 5, 2020, we amended our 2015 Credit Facility ("Second Amendment") to, among other things, suspend the leverage ratio covenant required to borrow on this facility beginning in the second quarter of 2020 and ending prior to September 30, 2021 (or such earlier date as elected by the Company); the Leverage Covenant Holiday, and replacing it with a minimum liquidity covenant, that requires us to maintain \$150 million of unrestricted cash, cash equivalents and short-term investments less deferred merchant payables plus available revolver capacity, which will apply only during the Leverage Covenant Holiday, as well as downsizing its capacity to \$1.0 billion from \$1.2 billion. The Second Amendment also prohibits the Company from payments and distributions, including share repurchases and dividends, during the Leverage Covenant Holiday. No change was made to the existing maturity date of the 2015 Credit Facility of May 12, 2022. This amendment therefore reduced our available borrowing capacity under the 2015 Credit Facility to \$297 million as of May 5, 2020, given our existing borrowings of \$700 million, as discussed above, and undrawn standby letters of credit of \$3 million as of March 31, 2020. During the timeframe which the leverage ratio covenant has been suspended, any outstanding or future borrowings under the 2015 Credit Facility will bear interest at LIBOR plus a 2.25% margin with a LIBOR floor of 1% per annum, which as of May 5, 2020, resulted in a borrowing rate of 3.25% per annum. Refer to Part II, Item 5. Other Information and "Note 14: *Subsequent Events*" in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for additional information on our Second Amendment.

We are also party to a \$30 million, one-year revolving credit facility with the Bank of America (the "Chinese Credit Facility") that is currently subject to review on a periodic basis with no specific expiration period. This credit facility generally bears interest at a rate based on the People's Bank of China benchmark, including certain adjustments, which may be made in accordance with market conditions at the time of borrowing. As of both March 31, 2020 and December 31, 2019, there were no outstanding borrowings under this credit facility.

For further discussion on our 2015 Credit Facility and Chinese Credit Facility, refer to "Note 8: *Debt*" in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q.

Significant sources and uses of capital

During the three months ended March 31, 2020, we repurchased 4,707,450 shares of our outstanding common stock at an average share price of \$24.32 per share, exclusive of fees and commissions, or \$115 million in the aggregate under our existing share repurchase program authorized by our Board of Directors. As of March 31, 2020, we had \$75 million remaining available to repurchase shares of our common stock under this share repurchase program. As discussed above, the Company's Second Amendment currently prohibits the Company from share repurchases during the time that the leverage ratio covenant has been suspended.

Our business typically experiences seasonal fluctuations that affect the timing of our annual cash flows related to working capital. In our Experiences business and our Rentals free-to-list model, we generally receive cash from travelers at the time of booking and we record these amounts, net of commissions, on our consolidated balance sheets as deferred merchant payables. We pay the suppliers, or the property rental owners and experience providers, after the travelers' use. Therefore, we generally receive cash from the traveler prior to paying the supplier and this operating cycle represents a source or use of cash to us. During the first half of the year Rentals and Experiences bookings typically exceed the amount of completed stays and tour-taking, 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 trend has been impacted in the first quarter of 2020, as cash outflows to suppliers related to deferred merchant payables significantly exceeded cash received from travelers reflecting the decline in consumer demand for our products and cancellations of reservations, which we expect to continue into the second quarter of 2020. In addition, we do expect that the impact of the COVID-19 pandemic will change this typical seasonal fluctuation during the full year 2020, however, the ultimate extent of the COVID-19 pandemic and its impact on travel, regional and global markets, and overall economic activity in currently affected countries or globally is unknown and impossible to predict with certainty, as such the impacts on our business and cash flows are 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, we introduced a new payment feature in late 2019, which allows our Experiences customers the option to reserve certain experience activities and defer payment until a date no later than two days before the experience date; as a result, this payment option may affect the timing of our future cash flows.

We believe that our available cash and cash equivalents, combined with available borrowings from our credit facilities and in light of our Amended Credit Facility, will be sufficient to fund our foreseeable working capital requirements, capital expenditures, existing business growth initiatives, debt 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, and may potentially reduce our cash balance and/or increase our debt.

In addition, our capital requirements may increase due to the impact of the COVID-19 pandemic which has already resulted in reduced revenues to the Company, and the extent to which it may further impact the ability of our customers to fulfill their payment obligations. Given the uncertainty in the rapidly changing 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.

Our cash flows for the three months ended March 31, 2020 and 2019, as reflected in our unaudited condensed consolidated statements of cash flows, are summarized in the following table:

	Three months ended March 31,	
	2020	2019
	(in millions)	
Net cash provided by (used in):		
Operating activities	\$ (70)	\$ 182
Investing activities	(20)	(42)
Financing activities	570	(24)

During the three months ended March 31, 2020, our primary use of cash was in operations, financing activities (including repurchases of our outstanding common stock at an aggregate cost of \$115 million under our existing share repurchase program and payment of withholding taxes on net share settlements of our equity awards of \$14 million), and investing activities (including capital expenditures incurred during the three months ended March 31, 2020 of \$20 million). This use of cash was funded primarily with cash on hand and cash equivalents, and financing activities, which includes \$700 million in borrowings from our 2015 Credit Facility.

During the three months ended March 31, 2019, our primary use of cash was in operations, financing activities (including payment of withholding taxes on net share settlements of our equity awards of \$23 million), and investing activities (including capital expenditures incurred during the three months ended March 31, 2019 of \$17 million and cash used of \$40 million in purchases of marketable securities). This use of cash was funded primarily with cash on hand and cash equivalents, cash provided by operations, and investing activities, including cash of \$15 million generated from maturities of marketable securities.

Net cash used in operating activities for the three months ended March 31, 2020, increased by \$252 million when compared to the same period in 2019, primarily due to a decrease in net income of \$42 million and increase in use of working capital of \$208 million, driven by working capital outflows primarily due to payments to travel suppliers related to deferred merchant payables for completed experiences, tours and rentals in a pre-COVID-19 timeframe; significantly exceeding cash received from travelers as a result of a decline in consumer demand due to COVID-19 and its negative impact on our first quarter of 2020 bookings.

Net cash used in investing activities for the three months ended March 31, 2020 decreased by \$22 million when compared to the same period in 2019, due to a decrease in net cash generated from the purchases and maturities of marketable securities of \$25 million, partially offset by an increase in capital expenditures of \$3 million.

Net cash provided in financing activities for the three months ended March 31, 2020 increased by \$594 million when compared to the same period in 2019, primarily due to borrowings on our 2015 Credit Facility of \$700 million and a decrease in payment of withholding taxes on net share settlements of equity awards of \$9 million during the three months ended March 31, 2020, partially offset by an increase in cash used to purchase shares of our common stock under our share repurchase program of \$115 million during the three months ended March 31, 2020.

Contractual Obligations, Commercial Commitments and Off-Balance Sheet Arrangements

With the exception of \$700 million in borrowing under the 2015 Credit Facility, as discussed above, which payment is not required until the maturity date of May 12, 2022, and the subsequent amendment to the 2015 Credit Facility described herein, there have been no material changes outside the normal course of business to our contractual obligations and commercial commitments since December 31, 2019. For a description of the amendment to the 2015 Credit Facility, see Part II, Item 5. Other Information.

As of March 31, 2020, other than our contractual obligations and commercial commitments, 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. Refer to “*Liquidity and Capital Resources*” in Part II, Item 7. —Management’s Discussion and Analysis of Financial Condition and Results of Operations of our

Contingencies

In the ordinary course of business, we are party to regulatory and legal matters, including threats thereof, arising out of our operations. These matters may involve claims involving patent and intellectual property rights (including 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 other 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, 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 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 and 2012 through 2016 tax years, under an employment tax audit by the IRS for the 2013 through 2016 tax years, and have various ongoing audits for 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. As of March 31, 2020, no material assessments have resulted, except as noted below regarding our 2009, 2010, and 2011 IRS audit with Expedia and our 2012 and 2013 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. 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 \$35 million to \$40 million at the close of the audit if the IRS prevails, after consideration of competent authority relief and Transition Tax, exclusive of interest and penalties. 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 2013 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.

The Organization for Economic Cooperation and Development ("OECD") has been working on a Base Erosion and Profit Shifting Project, and issued the Action 1 report in 2015 to address the tax challenges arising from digitalization. Since then, 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. As the OECD/G20 Inclusive Framework drives toward a consensus long-term solution, several countries have introduced unilateral digital service tax initiatives which impose new types of non-income taxes, including taxes based on a percentage of revenue. The Company is monitoring certain U.S. states and countries in which we do business, such as France, Italy, Spain, and the U.K., which have enacted or proposed similar taxes that will be applicable or are likely to be applicable during 2020. We recorded an estimate of \$1 million for digital service tax to general and administrative expense on our unaudited condensed consolidated statement of operations during the three months ended March 31, 2020; however we continue to assess the financial impact of these new laws. Further, as additional U.S. states and countries introduce unilateral measures we will continue to monitor developments and determine the financial impact worldwide of these initiatives to the Company.

As a result of the 2017 Tax Act, foreign earnings may now generally be repatriated back to the U.S. without incurring U.S. federal income tax. Historically, we have asserted our intention to indefinitely reinvest the cumulative undistributed earnings of our foreign subsidiaries. In response to increased cash requirements in the U.S. related to our declaration of a special cash dividend and other strategic initiatives during the fourth quarter of 2019, we determined that we no longer consider \$441 million of these foreign earnings to be indefinitely reinvested. During the year ended December 31, 2019, we recorded a deferred tax liability of \$1 million for the U.S. state income tax and foreign withholding tax liabilities on the cumulative undistributed foreign earnings that are not indefinitely reinvested. We intend to indefinitely reinvest \$118 million of our foreign earnings in our non-US subsidiaries. Determination of the amount of unrecognized deferred income tax liability related to these earnings is not practicable.

Refer to “Note 9: *Income Taxes*” in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for further information on potential contingencies, including current audits by the IRS and various other domestic and foreign tax authorities, and other income tax and non-income tax matters.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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 as a result of 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 to our credit facilities and related borrowings, derivative instruments, cash and cash equivalents, short term and long term marketable securities, accounts receivable, intercompany receivables/payables, accounts payable and deferred merchant payables 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.

There has been no material change in our market risk profile during the three months ended March 31, 2020, with the exception of the impacts from the COVID-19 pandemic. For a discussion of current market conditions and impacts on the Company’s financials resulting from the COVID-19 pandemic, refer to “Note 1: Business Description and Basis of Presentation” in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for further information, Part I, Item 2, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” and to Part II, Item 1A, “*Risk Factors*”. For additional information about our market risk profile, refer to “*Quantitative and Qualitative Disclosures About Market Risk*” in Item 7A. in Part II of our Annual Report on Form 10-K for the year ended December 31, 2019.

Since the U.K. initiated the process to exit the European Union (“E.U.”), known as Brexit, global markets and foreign exchange rates have experienced increased volatility, especially between the British pound and the U.S. dollar. We have significant operations in both the U.K. and the E.U. Our operations and those of our business partners are highly integrated across the U.K. and the E.U. and are highly dependent on the free flow of labor and goods in those regions. Although the U.K. ceased to be a member of the E.U. on January 31, 2020, the U.K. and E.U. will continue to work on the terms of the departure through a transition period ending December 31, 2020. As a result, there remains significant uncertainty about the future relationship between the U.K. and the E.U. The ongoing uncertainty and potential outcomes could negatively impact our relationships with our employees, business partners and vendors and could negatively impact our financial performance. In addition, uncertainty could continue to adversely affect consumer confidence and spending in the U.K. We could face new regulatory costs and challenges when the U.K. does leave the E.U. and U.K. regulations diverge from those of the E.U. Since the U.K.’s exit from the E.U. and the terms of that exit are uncertain, we are unable to predict the effect Brexit will have on our business and results of operations.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2020, 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 March 31, 2020, 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 March 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we are parties to legal proceedings and claims involving alleged infringement of third-party intellectual property rights, defamation, taxes, regulatory compliance and other claims. Rules and regulations promulgated by the SEC require the description of material pending legal proceedings, other than ordinary, routine litigation incident to the registrant's business, and advise that proceedings ordinarily need not be described if they primarily involve damages claims for amounts (exclusive of interest and costs) not individually exceeding 10% of the current assets of the registrant and its subsidiaries on a consolidated basis. In the judgment of management, none of the pending litigation matters that we are defending involves or is likely to involve amounts of that magnitude. 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.

Item 1A. Risk Factors

You should consider carefully the risks described below together with all of the other information included in this Quarterly 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 adversely affected.

Risks Related to Our Business and Industry

The COVID-19 pandemic has materially adversely affected, and may continue to adversely impact, our business and financial performance for the foreseeable future.

The impact of COVID-19 has caused material declines in demand within the travel, hospitality, restaurant and leisure industry concurrent with travel bans and increased governmental restrictions and mandates globally that has dampened consumer demand for our products and services, which has adversely and materially affected our business, results of operations and financial condition. We believe the travel industry and our business will continue to be adversely and materially affected while travel bans and other government restrictions and mandates remain in place. The extent of the impact of the COVID-19 pandemic on our business is highly uncertain and difficult to predict, as the response to the pandemic is ongoing, information is rapidly evolving, and the duration and severity of the pandemic are also uncertain and cannot be predicted. In addition, we do not have visibility into when these bans will be lifted, nor do we have visibility into the changes to consumer usage patterns on our platform or travel behavior patterns when travel bans and other government restrictions and mandates are lifted. We currently expect, however, that the COVID-19 pandemic will impact our financial performance for the quarter ended June 30, 2020, much more significantly than it impacted the quarter ended March 31, 2020, primarily because an increasing number of markets and locations will have been subject to the governmental measures and economic disruptions noted above during the entirety of the second quarter (as compared to the first quarter, when the effects of the outbreak were largely limited to China and certain other Asian markets during January 2020 and much of February 2020). With the spread of COVID-19 to other regions, such as Europe and the United States, we expect the COVID-19 pandemic and its effects to continue to have a significant adverse impact on our business for the duration of the pandemic and during the subsequent economic recovery, which could be an extended period of time.

Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Such economic disruption could have a material adverse effect on our business as consumers reduce their discretionary spending. Policymakers around the globe have responded with fiscal policy actions to support certain areas of the travel industry and economy as a whole. The magnitude and overall effectiveness of these actions remains uncertain.

The Company's future results of operations and liquidity could also be adversely impacted by delays in payments of outstanding accounts receivable amounts beyond normal payment terms, travel supplier and restaurant insolvencies, and the impact of any initiatives or programs that the Company may undertake to address financial and operational challenges faced by the Company and its

customers. As of the date of issuance of these unaudited condensed consolidated financial statements, the extent to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity, or results of operations in the future is uncertain.

The ultimate extent of the COVID-19 pandemic and its impact on travel and regional and global markets and overall economic activity in currently affected countries or globally is unknown and impossible to predict with certainty. The extent and duration of the impact of COVID-19 on our business over the long term remains largely uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of COVID-19, the extent and effectiveness of containment actions taken, including mobility and travel restrictions, and the impact of these and other factors on travel behavior. Because these events or concerns, and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel behavior by consumers, and therefore demand for our services and our relationships with travel service providers and other partners, any of which can adversely and materially affect our business, results of operations and financial condition and could cause the market price of our common stock to decline.

Declines or disruptions in the travel industry have a material adverse impact on the Company's business, results of operations and financial condition. Increased and/or prolonged government restrictions and regulation, including various travel and mobility restrictions related to COVID-19, could continue to negatively impact our business, results of operations and financial condition and could cause the market price of our common stock to decline.

As a result of the COVID-19 pandemic, we began in late February of 2020 to experience, and continue to experience, a significant decline in travel demand and increase in customer cancellations. By the end of February and in March 2020, concerns about COVID-19 had intensified on a global basis and have materially and negatively impacted travel demand (and therefore our business), with widespread travel restrictions imposed by governments and businesses. Many jurisdictions have adopted laws rules, regulations or decrees intended to address the COVID-19 pandemic, including implementing travel restrictions or restricting access to city centers or popular tourist destinations or limiting accommodation offerings in surrounding areas. Many airlines have also suspended or limited flights. In addition, many jurisdictions have limited social mobility and gathering, which could further negatively impact the services we provide.

As the COVID-19 pandemic develops, governments, corporations and other authorities may continue to implement restrictions or policies that adversely impact our business. Similarly, certain health authorities, such as the WHO and the Centers for Disease Control and Prevention, encourage social distancing and generally advise against gathering in public spaces to prevent the spread of COVID-19. We are working with our travelers and travel service provider partners to address cancellations, requests for refunds, rebookings and similar matters.

If we are unable to continue to attract a significant amount of visitors to our websites and mobile apps, to cost-effectively convert these visitors into revenue-generating users and to continue to engage our users, our revenue, financial results and business could be harmed.

Our long-term success depends on our continued ability to attract a significant number of visitors to our platforms in a cost-effective manner, to convert those visitors into consumers and then to continue to engage those consumers throughout the travel planning, booking and trip-taking phases. Our traffic and user engagement could be adversely affected by a number of factors, including but not limited to, increased competition; inability to provide quality content, inventory or supply to our consumers; declines or inefficiencies in traffic acquisition; reduced awareness of our brands; and macroeconomic conditions. 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 site. Our traffic growth could decline over time and our success could become increasingly dependent on our ability to increase levels of user engagement on 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 users, 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 websites 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 our products. If links to our websites and apps are not displayed prominently, traffic to our platform could decline and our business would be negatively affected.

We rely heavily on internet search engines to generate a significant amount of traffic to our websites, principally through SEM (i.e., the purchase of travel-related keywords) as well as through SEO (i.e., free, or organic, search). The number of consumers we attract from search engines to our platform is due in large part to how and where information from, and links to, our websites 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 and may change frequently. Search engines frequently update and 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 websites can be negatively affected. In addition, a search engine could, for competitive or other purposes, alter its search algorithms or results causing our websites to place lower in search query results. 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 SEO or 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 websites, as well as increased costs to the extent we replace free traffic with paid traffic.

In some instances, search and metasearch companies and application marketplaces may change their displays or rankings in order to promote their own competing products or services or the products or services of one or more of our competitors. For example, Google, a significant source of traffic to our website accounting for a substantial portion of the visits to our websites, frequently promotes its own competing products in its web search results, which has negatively impacted placement of references to our company and our website on the SERP. Google's promotion of its own competing products, or similar actions by Google in the future that have the effect of reducing our prominence or ranking on its search results, could have a substantial negative effect on our business and results of operations.

We also rely on application marketplaces, or app stores such as Apple's App Store and Google's Play, to drive downloads of our applications. In the future, Apple, Google or other marketplace operators may make changes to their marketplaces that make access to our products more difficult. 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 applications may receive unfavorable treatment compared to the promotion and placement of competing applications, such as the order in which they appear within marketplaces. Similarly, if problems arise in our relationships with providers of application marketplaces, traffic to our site 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 or redirections of advertising spend could harm our business.

We derive a substantial portion of our revenue from the sale of advertising, primarily through click-based advertising and, to a lesser extent, display-based and subscription-based advertising. We enter into advertising contracts with our advertising partners; however, the agreement terms are generally limited to legal matters, with campaign details and economics governed by insertion orders, and most of these contracts can be terminated by our partners at will or on short notice. Our ability to grow advertising revenue with our existing or new advertising partners is dependent in large part on our ability to generate revenue for them relative to other alternatives. Advertisers will not continue to do business with us if their investment in such advertising does not generate sales leads, customers, bookings, or revenue and profit on a cost-effective basis. Our ability to provide value to our advertising partners depends on a number of factors, including effectiveness of online advertising, competitiveness of our products, traffic quality, perception of our platform, availability and accuracy of analytics and measurement solutions to demonstrate our value, and macroeconomic conditions, whether in the advertising industry generally, among specific types of marketers or within particular geographies. We cannot guarantee that our current advertisers will fulfill their obligations under existing contracts, continue to advertise beyond the terms of existing contracts or enter into any additional contracts with us.

In addition, advertising revenue could be impacted by a number of other factors, including, but not limited to, the following:

- Our inability to increase or maintain user engagement;
- Our inability to increase or maintain the quantity and quality of ads shown to consumers, including as a result of technical infrastructure constraints;
- The development of technologies that can block the display of our ads or block our ad measurement tools, particularly for advertising displayed on tablets and/or on mobile platforms;
- The effectiveness of our ad targeting or degree to which consumers opt out of certain types of ad targeting;
- Adverse government actions or legal developments relating to advertising, including legislative and regulatory developments and developments in litigation that limit our ability to deliver or target advertising; and
- The impact of macroeconomic conditions, whether in the advertising industry in general or among special types of marketers or within particular geographies.

The occurrence of 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, either of which would negatively affect our revenue and financial results.

Click-based advertising revenue accounts for the majority of our advertising revenue. Our CPC 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 click-based advertising revenue which would, in turn, have an adverse effect on our business, financial condition and results of operations.

We rely on a relatively small number of significant advertising partners and any reduction in spending by or loss of these partners could seriously harm our business.

We derive a substantial portion of our revenue from a relatively small number of advertising partners and rely significantly on our relationships. For example, for the year ended December 31, 2019, our two most significant advertising partners, Expedia and Booking (and their subsidiaries), accounted for a combined 33% of total revenue. While we enter into master advertising contracts with our partners, as discussed above, most of these contracts can be terminated by our partners at will or on short notice. If any of our significant advertisers were to cease or significantly curtail advertising on our websites, 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 a strong brand and any failure to maintain, protect and enhance our brand could hurt our ability to retain and expand our base of consumers and partners, as well as increase the frequency with which consumers utilize our products and services.

We believe that the strength of our brands (particularly the Tripadvisor brand) has contributed significantly to our success. We also believe that maintaining, protecting and enhancing our brands is critical to expanding our base of consumers, increasing the frequency with which consumers utilize our solutions and attracting advertisers and business partners. Our ability to maintain and protect our brand depends, in part, on our ability to maintain consumer trust in our products and in the quality, integrity, reliability of usefulness of the content and other information found on our platform. For example, if consumers do not view our reviews 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 in the future, or at all. This would negatively impact our ability to attract and retain consumers and partners and the frequency with which they use our platform. We dedicate significant resources to these goals, primarily through our computer algorithms and teams of moderators that are focused on identifying inappropriate, unreliable or deceptive content. We remove those types of content from our website and, in certain cases, take legal action against individuals or businesses that we believe have engaged in deceptive practices.

Media, legislative, or regulatory scrutiny of our decisions regarding user privacy, content, advertising, and other issues may adversely affect our reputation and brands. Negative publicity about our company, including our content, technology, business practices or strategic plans, could diminish our reputation and confidence in our brand, thereby negatively affecting the use of our products and potentially even our share price. For example, 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 against non-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. Nevertheless, our reputation and brand, the traffic to our platform, our business and potentially even our share price may suffer from negative publicity about our company or if consumers otherwise perceive that our content is manipulated or biased. In addition, 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, product changes, competitive pressures, litigation or regulatory activity could adversely affect our reputation with our consumers and our 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.

We continue to invest significant time and effort towards educating users about our brand and our product offerings and there can be no assurances that these efforts will continue to be successful.

In an effort to enhance our brand we invest significantly in brand marketing including, but not limited to, television advertising. We expect these investments to continue, and potentially even increase, as a result of a variety of factors, including relatively high levels of advertising spending by competitors, the increasing costs of supporting multiple brands, expansion into new geographies,

product positioning where our brands are less well known, and the continued emergence and relative traffic share growth of search engines as destination sites for travelers. We expect to continue our television advertising campaign and to adjust our marketing efforts and spend among the different marketing channels, in each case as we think appropriate based on the relative growth opportunity, the expected returns and the competitive environment in the different segments and businesses in which we operate.

Such efforts may not maintain or enhance consumer awareness of our brands and, even if we are successful in our branding efforts, such efforts may not be cost-effective or as efficient as they have been historically. If we are unable to maintain or enhance consumer awareness of our brands or to generate demand in a cost-effective manner, it would have a material adverse effect on our business and financial performance. In addition, there are no assurances that these actions will have a positive impact on our marketing efficiencies or operating margins or when the financial benefit expected to result from these efforts will exceed the costs of such efforts. Furthermore, some of our current and potential competitors have access to significantly greater and more diverse resources than we do, and they may also be able to leverage other aspects of their businesses to enable them to compete more effectively with us.

Consumer adoption and use of mobile devices creates new challenges. If we are unable to operate effectively on these platforms or our products for such devices are not compelling, our business may be adversely affected.

Widespread adoption of mobile devices, such as the iPhone, Android-enabled smartphones and tablets such as the iPad, coupled with web browsing functionality and development of thousands of useful apps available on these devices, is driving substantial online traffic and commerce to mobile platforms. We have experienced a significant shift of business to mobile platforms and our advertising partners are also experiencing a rapid shift of traffic to mobile platforms. We anticipate that the rate of use of these devices will continue to grow. The functionality and user experience associated with these alternative devices, such as a smaller screen size or lack of a screen, may make the use of our platform through such devices more difficult. Our websites and apps, when utilized on mobile phone devices, monetize at a significantly lower rate than desktops and advertising opportunities are more limited on these mobile devices. Additionally, consumer purchasing patterns differ on alternative devices. For example, accommodation reservations made on a mobile device typically are for shorter lengths of stay and are not made as far in advance. Mobile consumers may also be unwilling to download multiple apps from multiple companies providing similar services or contribute high quality content through such devices. As a result, the consumer experience with mobile apps and brand recognition are likely to become increasingly important. 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 increasingly 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 to them – and developing competitive new products and services - and we may need to devote significant resources to the creation, support and maintenance of such products. If we are unable to continue to rapidly innovate and create new, user-friendly and differentiated offerings and efficiently and effectively advertise and distribute on these platforms, or if our offerings are not used by consumers, we could lose market share and our business, future growth and results of operations could be adversely affected.

Our success will also depend on the interoperability of our products with a range of technologies, systems, networks and standards or in creating, maintaining and developing 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; therefore, our products need to synergistically function on their respective operating systems in order to create a positive user experience on a mobile device. However, Google could leverage its Android operating system to give its travel services a competitive advantage, either technically or with prominence on its Google Play app store or within its mobile search results. Similarly, Apple obtained a patent for "iTravel," a mobile app that would allow a traveler to check in for a travel reservation. In addition, Apple's iPhone operating system includes "Wallet," a virtual wallet app that holds tickets, boarding passes, coupons and gift cards, and, along with iTravel, may be indicative of Apple's intent to enter the travel reservations business in some capacity. Apple has substantial market share in the smartphone category and controls integration of offerings, including travel services, into its mobile operating system. Apple also has more experience producing and developing mobile apps and has access to greater resources than we do. Apple may use or expand iTravel, Wallet, Siri (Apple's voice recognition "concierge" service), Apple Pay (Apple's mobile payment system) or another mobile app or functionality as a means of entering the travel reservations marketplace. To the extent Google or Apple use their mobile operating systems, app distribution channels or, in the case of Google, search services, to favor their own travel service offerings, there may be an adverse effect on our ability to compete in the mobile space.

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 elect not to 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 results of operations may be harmed. This risk may be exacerbated by the

frequency with which consumers change or upgrade their devices. In the event consumers choose devices that do not already include or support our platform or do not install our products when they change or upgrade their devices, our traffic and user engagement may be harmed.

In addition, the market for advertising products on mobile and other devices is rapidly evolving. As new devices and platforms are released, consumers may begin consuming content in a manner that is more difficult to monetize. Similarly, as advertising products for mobile and other platforms develop, demand may increase for products that we do not offer or that may alienate our user base, which we must balance against our commitment to prioritizing the quality of user experience over short-term monetization. If we are not able to balance these competing considerations successfully to develop compelling advertising products, advertisers may stop or reduce their advertising with us and we may not be able to generate meaningful revenue from alternative devices despite the expected growth in their usage.

Declines or disruptions in the economy in general and travel industry, in particular, could adversely affect our businesses, results of operations and financial condition and could cause the market price of our common stock to decline.

Our businesses, results of operations and financial condition, as well as the market price of our common stock, are affected by the health of the global economy generally as well as the travel industry and leisure travel in particular. Sales of travel services tend to decline or grow more slowly during economic downturns and recessions when consumers engage in less discretionary spending, are concerned about unemployment or economic weakness, have reduced access to creditor experience other concerns that reduce their ability or willingness to travel. The global economy may be adversely impacted by unforeseen events beyond our control including incidents of actual or threatened terrorism, regional hostilities or instability, unusual weather patterns, natural disasters, political instability and health concerns (including epidemics or pandemics), defaults on government debt, significant increases in fuel and energy costs, tax increases and other matters that could reduce discretionary spending, tightening of credit markets and declines in consumer confidence. Decreased travel spending could reduce the demand for our services and have a negative impact on our business and results of operations. In addition, the uncertainty of macro-economic factors and their impact on consumer behavior, which may differ across regions, 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, results of operations and financial condition and could cause the market price of our common stock to decline.

Recently, the spread of COVID-19 has adversely affected global business activities and has resulted in significant uncertainty in the global economy and volatility in financial markets, including volatility in the market price of our common stock. The outbreak of communicable diseases, such as COVID-19, or the perception that such an outbreak could occur, has and may continue to result in a widespread public health crisis that could adversely affect the economies and financial markets of many countries, resulting in a decline in the market price of our common stock and an economic downturn and a worldwide recession that would negatively impact the travel industry and leisure travel. In particular, the economic slowdown resulting from the COVID-19 pandemic could result in a prolonged period of increased unemployment and a reduction in available budgets for both business and leisure travelers, which could further result in a significant decline in the amount of tourism and consumer spending and provoke changes in consumer spending habits. This may significantly decrease spending on the services we provide by both business and leisure travelers and have a material adverse impact on our business and results of operations. Additionally, if individual countries or regions experience deteriorating credit and economic conditions and/or significant fluctuations of currency values relative to other currencies, such as the U.S. dollar, it can lead to a negative impact on our foreign denominated net assets, revenues, operating expenses and net income as expressed in U.S. dollars.

In addition, since the U.K. initiated the process to exit the E.U., known as Brexit, global markets and foreign exchange rates have experienced increased volatility, including a decline in the value of the British pound as compared to the U.S. dollar. We have significant operations in both the U.K. and the E.U. Our operations and those of our merchants are highly integrated across the U.K. and the E.U. and are highly dependent on the free flow of labor and goods in those regions. Although the U.K. ceased to be a member of the E.U. on January 31, 2020, the U.K. and the E.U. will continue to work on the terms of the departure through a transition period ending December 31, 2020. As a result, there remains significant uncertainty about the future relationship between the U.K. and the E.U. The ongoing uncertainty and potential outcomes could negatively impact our merchant and customer relationships and results of operations. In addition, uncertainty could continue to adversely affect consumer confidence and spending in the U.K. We could face new regulatory costs and challenges when the final terms of the governing relationships and final U.K. regulations are determined. Since the final terms of that exit and the U.K. regulatory environment are uncertain, we are unable to predict the effect Brexit will have on our business and results of operations.

Economic downturn and adverse credit market conditions, whether in response to the COVID-19 pandemic, Brexit or other factors, may negatively impact us, as well as our travel partners that sell their services and products through our platform. In addition, our travel partners, especially our smaller or medium sized partners', access to capital, cost of capital and ability to meet liquidity needs could be adversely affected in a prolonged economic downturn or deterioration in the travel industry, which could further

adversely impact our business, financial condition and results of operations. The extent and duration of such impacts remain largely uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of the coronavirus, the extent and effectiveness of containment actions taken and the impact of these and other factors on travel behavior.

We operate in an increasingly competitive global environment and our failure to compete effectively could reduce our market share and harm our financial performance.

We compete in a rapidly evolving and competitive industry. We face competition for content, consumers, advertisers, online travel search and price comparison services, or what is known in the industry as metasearch, 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. 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 face competition from, and in some cases partner with, the following businesses: OTAs (including Expedia and Booking and many of their respective subsidiaries and operating companies); hotel metasearch providers (including trivago, Kayak and HotelsCombined, subsidiaries of Booking, and Trip.com Group Limited, formerly known as Ctrip.com International, Ltd); large online search, social media, and marketplace platforms and companies (including Google, Facebook, Microsoft's Bing, Yahoo, Baidu, Alibaba, and Amazon); and traditional offline travel agencies; and global hotel chains seeking to promote direct bookings.
- We also face competition from different companies in each of the offerings in our Experiences & Dining segment. Experiences competes with online travel agencies, such as Airbnb, Booking, GetYourGuide and Klook; traditional travel agencies; online travel service providers; and wholesalers, among others. Dining competes with other online restaurant reservation services, such as SeatMe (owned by Yelp) and OpenTable (a subsidiary of Booking).

There has been a proliferation of new channels through which 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 and potential competitors offer a variety of online services, many of which are used by competitors more frequently than online travel services. In addition, in some cases, our competitors 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 (such as Google, Booking and Trip.com Group Limited) have significantly greater financial, technical, marketing and other resources than us and have more expertise in developing online commerce and facilitating internet traffic as well as large client bases. They also have the ability to leverage other aspects of their business to enable them to compete more effectively against us. For example, Google has entered various aspects of the online travel market, including by establishing a flight metasearch product ("Google Flights") and a hotel metasearch product ("Google Hotel Ads") that are growing rapidly, as well as its "Book on Google" reservation functionality and its Google Trips app.

In addition, Google and other large, established companies with substantial resources and expertise in developing online commerce and facilitating internet traffic have launched travel or travel-related search, metasearch and/or reservation booking services and may create additional inroads into online travel. Google's travel metasearch services, Google Hotel Ads and Google Flights, are growing rapidly and have achieved significant market share in a relatively short time. In addition, many of our competitors, including online search companies, continue to expand their voice and artificial intelligence capabilities, which may provide them with a competitive advantage in travel. We cannot assure you that we will be able to compete successfully against our current, emerging and future competitors or on platforms that may emerge, or provide differentiated products and services to our traveler base.

We compete with certain companies that we also do business with, including some of our click-based advertising travel partners. The consolidation of our competitors and travel partners, including Expedia (through its acquisitions of Orbitz, Travelocity, and HomeAway) and Booking (through its acquisitions of KAYAK and OpenTable), 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 websites and reduced advertising by travel companies on our websites.

As the industry shifts towards online travel services and the technology supporting it continues to evolve, including platforms such as mobile phone and tablet computing devices, competition is likely to intensify. Competition in our industry may result in pricing pressure, loss of market share or decreased user engagement, any of which could adversely affect our business and financial performance.

Moreover, as the economy and the travel industry recover from the impact of the COVID-19 pandemic, the structure of the travel industry could change in ways that could disadvantage us and benefit certain of our existing competitors or new entrants. If we are unable to successfully adapt to any changes in how the travel industry operates or to changes in the ways in which consumers purchase travel services, our ability to compete, and therefore our business and results of operations, would be adversely affected.

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.

We depend on the use of sophisticated information technologies and systems for website and mobile apps, supplier connectivity, communications, reservations, payment processing, procurement, customer service and fraud prevention. 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.

In addition, the emergence of alternative devices, such as mobile phones and tablets, 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. Technology changes, including new devices, services and home assistants, such as Amazon's Alexa Voice and Google Home, and developing technologies, such as machine learning and artificial intelligence, could negatively impact our business.

If we do not continue to innovate and provide products, services and features that are useful to users, we may not remain competitive, and our business and financial performance could suffer.

Our success depends in part on continued innovation to provide products, features and services that make our platform compelling to users and engage our consumers. Our competitors are continually developing innovations in online travel-related services and features. As a result, we are continually working to improve our business model and consumer experience in order to engage our consumers and drive user traffic and conversion rates. 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 that we did not anticipate. If we are unable to continue offering innovative products and services and quality features that users want to use, existing consumers may become dissatisfied and use competitors' offerings and we may be unable to attract additional consumers, which could adversely affect our business and financial performance.

Our dedication to making the user experience our highest priority may cause us to prioritize rapid innovation and user experience over short-term financial results.

We strive to create the best experience for our users, providing them with the information, products and tools to enable them to plan, book, and experience the perfect trip. We believe that in doing so we will increase our rates of conversion, our revenue and, ultimately, our financial performance over the long-term. We have taken actions in the past and may continue to make decisions in the future that have the effect of reducing our short-term revenue or profitability if we believe that the decisions benefit the overall user experience. For example, we may introduce new products or changes to existing products or the user experience that decrease rates of conversion but increases revenue. In addition, our approach of putting users first may negatively impact our relationship with existing or prospective partners. These actions and practices could result in a loss of partners, which in turn could harm our results of operations. The short-term reductions in revenue or profitability could be more severe than we anticipate or these decisions may not produce the long-term benefits that we expect, in which case our user growth and engagement, our relationships with consumers and travel partners, and our business and results of operations could be harmed. In addition, if new or enhanced products fail to engage users or if we are unsuccessful in our effort to monetize these initiatives, we may fail to generate sufficient revenue, profit margin or other value to justify our investments, in which case our business and results of operations would be adversely affected.

We are dependent upon the quality of traffic in our network to provide value to our 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 adverse effect on the value of our websites to our partners and adversely affect our revenue.

We use technology and processes to monitor the quality of the internet traffic that we deliver to our partners and have identified metrics to demonstrate the quality of that traffic. These metrics are used to not only identify the value of advertising on our website but also to identify low quality clicks such as non-human processes, including robots, spiders or other software; 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, or traffic that online advertisers deem to be invalid, will be delivered to such online advertisers. As a result, we may be required to credit amounts owed to us by our partners. Furthermore, low-quality or invalid traffic may be detrimental to our relationships with 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.

We believe that 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 and the company. In addition, 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 and, 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 all of our platforms. As such, the calculations of our unique visitors may not accurately reflect the number of people actually visiting our platforms. We continue to improve upon our tools and methodologies to capture data and believe that our current metrics are accurate; 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. Also 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. Finally, we may, in the future, identify new or other metrics that enable us to more accurately evaluate our business. Accordingly, readers 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.

Our future success is largely dependent on the talents and efforts of highly skilled individuals. In particular, the contributions of Stephen Kaufer, our co-founder, Chief Executive Officer and President, 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 could seriously harm our business. We do not maintain any key person life insurance policies.

We recently furloughed approximately 850 employees, reduced (or are in the process of reducing) our headcount by approximately 900 employees. This reduction in workforce results in the loss of institutional knowledge, relationships, or expertise for critical roles, which may not be effectively transferred to employees who remain with the Company. This reduction could also have a negative impact on employee morale and productivity, make it more difficult to retain valuable key employees that have not been terminated, 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 adversely impact our business and reputation. This may impede the Company's ability to operate or meet strategic objectives. In addition, in the future, as travel recovers from the COVID-19 pandemic, we will need to replace some or all of those roles with qualified individuals in the areas of software engineers, developers, product management and development personnel, and other technology professionals. Our continued ability to compete effectively depends on our ability to attract new employees and to retain and motivate existing employees. As a global company, we aim to attract quality employees from all over the world, so any restrictions on travel for professional or personal purposes may cause significant disruption to our businesses or negatively affect our ability to attract and retain employees on a global basis. 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 disrupt our ongoing business and present new challenges and risks.

Our success will depend, in part, on our ability to expand our product offerings in order to grow our business in response to changing technologies, user and travel partner demands and competitive pressures. As a result, we have acquired, invested in and/or entered into significant commercial arrangements with a number of new 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:

- Expected and unexpected costs incurred in identifying and pursuing these endeavors, and performing due diligence on potential targets that may or may not be successful;
- Use of cash resources and incurrence of debt and contingent liabilities in funding these endeavors that may limit other potential uses of our cash, including product development, stock repurchases, and/or dividend payments;
- 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, privacy protection systems, information systems or personnel of the company, including the assimilation of corporate cultures;
- Difficulties in implementing and retaining uniform standards, controls, procedures, policies and information systems;
- The assumption of known and unknown debt and liabilities of the acquired company, including costs associated with litigation, cybersecurity risks, and other claims relating to the acquired company;
- Failure of any company which we have acquired, in which we have invested, or with which we have a commercial arrangement, to achieve anticipated revenues, earnings or cash flows or to retain key management or employees;
- Failure to generate adequate returns on acquisitions and investments;
- With respect to minority investments, limited management or operational control and reputational risk, which risk is heightened if the controlling person in such case has business interests, strategies or goals that are inconsistent with ours;
- Entrance into markets in which we have no direct prior experience and increased complexity in our business;
- Impairment of goodwill or other intangible assets such as trademarks or other intellectual property arising from acquisitions; and
- Adverse market reaction to acquisitions.

We have invested, and may in the future invest, in privately-held companies and these investments are currently accounted for using the measurement alternative for equity investments without a readily determinable fair value, which measure these investments at cost while subtracting any impairments, 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 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. Further, our ability to liquidate any such investments is typically dependent upon some liquidity event, such as a public offering or acquisition, since no public market exists for such securities. Valuations of such privately-held companies are inherently complex and uncertain due to the lack of liquid market for the company's securities. Moreover, we could lose the full amount of any of our investments and any impairment of our investments could have a material adverse effect on our financial condition and results of operations.

We cannot assure you that these investments will be successful or that such endeavors will result in the realization of the full benefits of synergies, cost savings, innovation and operational efficiencies that may be possible or that we will achieve these benefits within a reasonable period of time.

If we fail to manage our growth effectively, our brand, results of operations and business could be harmed.

Over the years, we have experienced rapid growth in some areas of our business, including through acquisitions of other businesses and in new international markets. More recently, as a result of the impacts of COVID-19, we will have limited capacity, for a certain period of time, to make these types of investments and that may have a negative impact on our growth in certain markets. Once we are able to resume making these investments and to the extent we make these investments, this growth places substantial demands on management and our operational infrastructure. In addition, as our business matures, we make periodic changes and

adjustments to our organization in response to various internal and external considerations, including market opportunities, the competitive landscape, new and enhanced products and acquisitions. These changes may result in a temporary lack of focus or productivity or otherwise impact our business.

To manage our growth, we may need to improve our operational, financial and management systems and processes which may require significant capital expenditures and allocation of valuable management and employee resources. As we continue to grow, we must effectively integrate, develop and motivate a large number of new employees, including employees in international markets, while maintaining the beneficial aspects of our company culture. If we do not manage the growth of our business and operations effectively, the quality of our platform and efficiency of our operations could suffer, which could harm our brand, results of operations and business.

Risks Related to Legal and Regulatory Matters

We are a global company that operates in many different jurisdictions and these operations expose us to additional risks, which risks increase as our business continues to expand.

We operate in a number of jurisdictions both inside and outside of the U.S. and continue to expand our operations both domestically and internationally. Many regions have different economic conditions, languages, currencies, consumer expectations, legislation, regulatory environments (including labor laws and customs), tax laws, levels of consumer acceptance and use of the internet for commerce and levels of political stability. We are subject to associated risks typical of global businesses, including, but not limited to, the following:

- Compliance with additional laws and regulations (including the Foreign Corrupt Practices Act, the U.K. Bribery Act, the EU General Data Protection Regulation (or GDPR) and the California Consumer Privacy Act (or CCPA)), data privacy requirements, labor and employment law, laws regarding advertisements and promotions and anti-competition regulations;
- Diminished ability to legally enforce contractual rights;
- Increased risk and limits on enforceability of intellectual property rights;
- Restrictions on repatriation of cash as well as restrictions on investments in operations in certain countries;
- Financial risk arising from transactions in multiple currencies as well as foreign currency exchange restrictions;
- Difficulties in managing staff and operations due to distance, time zones, language and cultural differences;
- Uncertainty regarding liability for services, content and intellectual property rights, including uncertainty as a result of local laws and lack of precedent;
- Economic or political instability or laws and regulations involving economic or trade prohibitions or sanctions; and
- Threatened or actual acts of terrorism.

Our strategy includes continued expansion in existing international and new international markets. Many of these markets have different economic conditions, customers, languages, currencies, consumer expectations, levels of consumer acceptance and use of the internet for commerce, legislation, regulatory environments, tax laws and levels of political stability, and we are subject to associated risks typical of international businesses. 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 addition, compliance with legal, regulatory or tax requirements in multiple jurisdictions places demands on our time and resources, and we may nonetheless experience unforeseen and potentially adverse legal, regulatory or tax consequences. 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 new and existing markets and effectively managing that expansion, our business and results of operations could be adversely affected. A number of countries are actively pursuing changes to their tax laws applicable to corporate multinationals, such as the recently enacted U.S. tax legislation, Tax Cuts and Jobs Act of 2017 (the “2017 Tax Act”). Foreign governments may enact tax laws that could result in further changes to global taxation and materially affect our financial position and results of operations.

The 2017 Tax Act resulted in significant changes to the U.S. corporate income tax system. The 2017 Tax Act requires complex computations to be performed that were not previously required in U.S. tax law, significant judgments to be made in interpretation of the provisions of the 2017 Tax Act and significant estimates in calculations, and the preparation and analysis of information not previously relevant or regularly produced. The U.S. Treasury Department, the IRS and other standard-setting bodies could interpret or

issue guidance on how provisions of the 2017 Tax Act will be applied or otherwise administered that is different from our interpretation.

We are regularly subject to claims, lawsuits, government investigations, and other proceedings that may result in adverse outcomes.

We are regularly subject to claims, lawsuits, government investigations and other proceedings involving, among other matters, patent and intellectual property rights (including 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 free speech (including intermediary liability and platform immunity challenges), labor and employment matters and commercial disputes.

Such claims, lawsuits, government investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of the outcome, any of these types of legal proceedings could have an adverse impact on us because of legal costs, diversion of management resources, injunctions or damage awards and other factors. Determining reserves for our pending litigation or other legal proceedings is a complex, fact-intensive process that requires significant judgment. 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, consolidated financial position, results of operations, or cash flows in a particular period. These proceedings could also result in reputational harm, criminal sanctions, 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 or other field action, or requiring development of non-infringing or otherwise altered products or technologies. Any of these consequences could adversely affect our business and results of operations.

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 performance.

Our business and financial performance 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 those relating to internet and online commerce, internet advertising, consumer protection, intermediary liability, data security and privacy, travel and rental licensing and listing requirements and tax. In some cases, 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 that may relate to liability for information retrieved from or transmitted over the internet, online editorial and user-generated content, user privacy, data security, behavioral targeting and online advertising, taxation, liability for third-party activities and the quality of products and services. In addition, the growth and development of online commerce may prompt calls for more stringent consumer protection laws and more aggressive enforcement efforts, which may impose additional burdens on online businesses generally. Also, evolving case law and new legislation involving worker classification, including a new law in California, increase the potential for litigation and government audits in this area and may have ramifications as to how we operate certain segments of our business and our engagement with independent contractors.

Further, our Rentals business has been and continues to be subject to regulatory developments globally that affect the rental industry and the ability of companies like us to list those rentals online. For example, some states and local jurisdictions, both domestically and internationally, have adopted, or are considering adopting, statutes or ordinances that prohibit property owners and managers from renting certain properties on a short-term basis or otherwise limit their ability to do so, and other states and local jurisdictions may introduce similar regulations. Some states and local jurisdictions also have fair housing or other laws governing whether and how properties may be rented, which they assert apply to vacation rentals. In addition, many homeowners, condominium and neighborhood associations have adopted or are 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. We cannot assure that our efforts will be successful, and the investment and additional resources required to manage growth will produce the desired levels of revenue or profitability.

We also have been subject, and we will likely be subject in the future, to inquiries from time to time from regulatory bodies concerning compliance with consumer protection, competition, tax, data privacy and travel industry-specific laws and regulations. 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, financial condition and results of operations. Further, if such laws and regulations are not enforced equally against other competitors in a particular market, our compliance with such laws may put us at a competitive disadvantage vis-à-vis competitors who do not comply with such requirements.

The promulgation of new laws, rules and regulations, or the new interpretation of existing laws, rules and regulations, in each case that restrict or otherwise unfavorably impact the ability or manner in which we provide services could require us to change certain aspects of our business, operations and commercial relationships to ensure compliance, which could decrease demand for services, reduce revenues, increase costs and/or subject the company to additional liabilities. For example, in 2018, the E.U. adopted GDPR implementing enhanced data protection requirements and, in 2019, the State of California adopted the California Consumer Privacy Act (“CCPA”) implementing privacy rights and consumer protections for California residents. Other jurisdictions have adopted or are contemplating similar legislation. This 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 decrease demand for products and services, limit marketing methods and capabilities, impede development of new products, result in negative publicity, require significant management time, increase costs and/or subject us to additional liabilities. Violations of these laws and regulations could result in penalties and/or criminal sanctions against us, our officers or our employees and/or restrictions on the conduct of parts of our business in certain jurisdictions.

Likewise, the SEC, Department of Justice (“DOJ”) and Office of Foreign Assets Controls (“OFAC”), as well as foreign regulatory authorities, have continued to increase the enforcement of economic sanctions and trade regulations, anti-money laundering, and anti-corruption laws, across industries. U.S. economic sanctions relate to transactions with designated foreign countries, including Cuba, Iran, North Korea, Syria and nationals and others of those countries, Ukraine/Russia related sanctions, as well as certain specifically targeted individuals and entities. We believe that our activities comply with OFAC, E.U., U.K. and other regulatory authorities’ economic sanction and trade regulations, as well as anti-money laundering and anti-corruption regulations, including the Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act and the U.K. Criminal Finances Act. As regulations continue to evolve and regulatory oversight continues to increase, we cannot guarantee that our programs and policies will be deemed compliant by all applicable regulatory authorities. In the event our controls should fail or are found to be out of compliance for other reasons, we could be subject to monetary damages, civil and criminal monetary penalties, litigation and damage to our reputation and the value of our brands.

We cannot be sure that our intellectual property is protected from copying or use by others, including potential competitors.

Our websites rely on content, brands and technology, much of which is proprietary. We protect our proprietary content, brands and technology by relying on a combination of trademarks, copyrights, trade secrets, patents and confidentiality agreements. Any misappropriation or violation of our rights could have a material adverse effect on our business. Even with these precautions, it may be possible for another party to copy or otherwise obtain and use our proprietary technology, content or brands without authorization or to develop similar technology, content or brands independently.

Effective intellectual property protection is expensive to develop and maintain, both in terms of initial and ongoing registration requirements and expenses and the costs of defending our rights. In addition, effective intellectual property protection may not be available in every jurisdiction in which our 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 protect our intellectual property adequately against unauthorized third-party copying or use, which could adversely affect our business or ability to compete. 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 or administrative bodies in order to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. These proceedings might result in substantial costs and diversion of resources and management attention. Our failure to protect our intellectual property in a cost-effective or effective manner could have a material adverse effect on our business and ability to protect our technology, content and brands.

We currently license from third parties and incorporate the technologies and content into our websites. As we continue to introduce new services that incorporate new technologies and content, we may be required to license additional technology, or content. We cannot be sure that such technology or content will be available on commercially reasonable terms, if at all.

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.

We collect, process, store and transmit data, including personal information, for our consumers and our workforce. As a result, 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. In addition, the security of data when engaging in electronic commerce is essential to maintaining consumer and travel service provider confidence in our services. The regulatory framework for privacy issues

worldwide is currently in flux and is likely to remain so for the foreseeable future. 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. The U.S. Congress and federal agencies, including the Federal Trade Commission and the Department of Commerce, are reviewing the need for greater regulation for the collection and use of information concerning consumer behavior on the internet in the U.S. Various U.S. courts are also considering the applicability of existing federal and state statutes, including computer trespass and wiretapping laws, to the collection and exchange of information online.

In addition, we are subject to legislation intended to enhance the privacy and security of personal data, including credit card information (such as GDPR, the CCPA and other country specific data protection laws). There are a number of proposals for data privacy laws pending or proposed in other jurisdictions, including at both the state and federal levels of the U.S. as well as internationally. Implementing and complying with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise affect our business operations. We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection. Any failure or perceived failure by us to comply with our privacy policies, privacy-related obligations to consumers or other third parties, or privacy-related legal obligations, may result in governmental enforcement actions, including, for example, fines and/or penalties, compliance orders, litigation or public statements that could harm our reputation and cause our users and travel partners to lose trust in us, any of which could have an adverse effect on our business, brand, market share and results of operations.

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 card, debit card, direct debit from a customer's bank account, and invoicing. For existing and future payment options we offer to our customers, we may become subject to additional regulations and compliance requirements (including obligations to implement enhanced authentication processes). These regulations and/or requirements could result in significant costs and reduce the ease of use of our payment products and yet may still be susceptible to fraudulent activity. In addition, we may be held liable for accepting fraudulent credit cards on our websites as well as other payment disputes with our customers. 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. We rely on third parties to provide certain payment methods and payment processing services, including the processing of credit cards and debit cards. In each case, 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. 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 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. We are also subject to a number of other laws and regulations relating to payments, money laundering, international money transfers, privacy and information security, and electronic fund transfers. If we were found to be in violation of applicable laws or regulations, we could be subject to additional requirements and civil and criminal penalties, or forced to cease providing certain services.

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 stock 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, workforce 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 result in government enforcement actions and litigation and potential liability for us.

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 security vulnerabilities of our products, 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.

We may be unable to proactively address these techniques or to implement adequate preventive measures and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, manufacturing, distribution or other critical functions. 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. 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.

Much of our business is conducted with third party partners and vendors, including, for example, marketing agencies and SaaS providers. 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 damage our reputation, expose us to risk of loss or litigation and possible liability and subject us to regulatory penalties and sanctions. In addition, such incidents may also result in a decline in our active user base or engagement levels. Finally, failure of such third parties to comply with applicable disclosure requirements could expose us to liability.

We have acquired a number of companies over the years and may continue to do so in the future. As a result of these acquisitions, we may increase the volume of personal data that we collect, store, process and transmit. While we make significant efforts to address any information security issues and personal data protection issues with respect to our acquisitions, we may still inherit such risks when we integrate the acquired businesses.

Media coverage of data breaches and consumer rights has escalated, in part because of the increased number of enforcement actions, investigations and lawsuits. Security breaches could result in negative publicity, damage to reputation, exposure to risk of loss or litigation 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 potential consumers to lose confidence in our data security, which would have a negative effect on the value of our brand.

Evolving guidance on use of "cookies" and similar technology could negatively impact the way we do business.

A "cookie" is a text file that is stored on a user's web browser by a website. Cookies are common tools used by thousands of websites, including ours, to, among other things, store or gather information (e.g., remember log-on details so a user does not have to re-enter them when revisiting a website), market to consumers, improve site security and enhance the user experience on a website. Cookies and similar tracking technologies are valuable tools for websites and apps like ours to improve the customer experience and increase conversion on their websites. Many countries have adopted data protection laws that introduce regulations governing the use of "cookies and other similar tracking technologies" by websites and app developers servicing consumers. To the extent any such regulations require "opt-in" or "affirmative" consent before certain cookies or trackers can be placed on a user's device or the ability of users to "opt-out" or control their preferences, our ability to serve certain customers in the manner we currently do, including with respect to retargeting or personalized advertising, might be adversely affected and our ability to continue to improve and optimize performance on our websites might be impaired, either of which could negatively affect a consumer's experience using our services and our business, market share and results of operations.

Risks Related to the Financial and Tax Matters

We may have future capital needs and may not be able to obtain additional financing on acceptable terms.

We are currently party to a credit agreement with respect to a \$1.0 billion revolving credit facility maturing in May 2022 (the "2015 Credit Facility"). Pursuant to a recent amendment to the 2015 Credit Facility, we have agreed to pledge all of our assets, including the equity interests of our subsidiaries. In addition, this agreement includes restrictive covenants that may impact the way we manage our business and may limit our ability to secure significant additional financing in the future on favorable terms. Our ability to secure additional financing and satisfy our financial obligations will 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. There can be no assurance that sufficient financing will be available, at all or on reasonably acceptable terms.

We have indebtedness which could adversely affect our business and financial condition.

During the three months ended March 31, 2020, the Company borrowed \$700 million under our 2015 Credit Facility. We intend to use this borrowing to reinforce our liquidity position and provide financial flexibility in light of current uncertainty in the global markets resulting from the COVID-19 pandemic. We are subject to risks relating to our potential indebtedness that include:

- Increasing our vulnerability to general adverse economic and industry conditions;
- Requiring us to dedicate a portion of our cash flow from operations to principal and interest payments on our indebtedness, thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and investments and other general corporate purposes;
- Making it more difficult for us to optimally capitalize and manage the cash flow for our businesses;
- Limiting our flexibility in planning for, or reacting to, changes in our businesses and the markets in which we operate;
- Possibly placing us at a competitive disadvantage compared to our competitors that have less debt;
- Limiting our ability to borrow additional funds or to borrow funds at rates or on other terms that we find acceptable; and
- Exposing us to the risk of increased interest rates because our outstanding debt is expected to be subject to variable rates of interest.

In addition, it is possible that we may need to incur additional indebtedness in the future in the ordinary course of business. The terms of our 2015 Credit Facility allow us to incur additional debt subject to certain limitations and approvals; however, pursuant to a recent amendment to the 2015 Credit Facility, we have pledged our assets and the equity interests of our subsidiaries. As a result, there is no assurance that additional financing will be available to us on terms favorable to us, if at all. In addition, if new debt is added to the then existing debt levels, the risks described above could intensify.

Our 2015 Credit Facility, as amended, requires us to meet certain financial covenants and imposes certain negative covenants on the Company and our operations. The failure to meet these financial covenants and comply with these covenants could have a material adverse effect on our ability to operate our business, meet us.

We are party to a credit agreement providing for our 2015 Credit Facility, which facility was recently amended. The agreements that govern the 2015 Credit Facility contain various covenants, including 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.

In addition, our 2015 Credit Facility requires that we meet certain financial tests, including a minimum liquidity threshold and/or leverage ratio test. These covenants may limit our ability to optimally operate our business. Any failure to comply with the restrictions of our credit facility may result in an event of default under the agreements governing such facility. Such default may allow the creditors to accelerate the debt incurred thereunder. In addition, lenders may be able to terminate any commitments they had made to supply us with further funds (including periodic rollovers of existing borrowings).

In connection with the recent amendment and as collateral to secure our obligations under the 2015 Credit Facility, we have pledged, and granted security interests and liens in and on, substantially all of our respective tangible and intangible assets (including accounts receivable, contract rights and other general intangibles, intellectual property, inventory, equipment, goods, instruments and equity interests and other investment property, and intercompany indebtedness), in each case, subject to customary exceptions. These pledges and liens could limit our ability to obtain additional financing in the future.

Our financial results will fluctuate from quarter to quarter and are difficult to predict.

Our quarterly financial results have fluctuated in the past and will likely fluctuate in the future. Additionally, we have limited operating history with the current scale of our business, which means it is difficult to forecast our financial results. As a result, you should not rely upon our quarterly financial results as indicators of future performance. 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 user base and to increase user engagement;
- Increase in marketing, sales and other operation 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, episodic global or regional events (such as the COVID-19 pandemic) or other factors;
- The pricing of our ads and other products;
- 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, including with respect to privacy and data protection, or engagement by government regulators, including final orders or consent decrees;
- The impact of changes in tax laws, which are recorded in the period enacted and may significantly affect our effective income tax rates and non-income taxes;
- Tax obligations that may arise from resolutions of tax examinations, including the examinations we are currently under 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. generally accepted accounting principles; and
- Changes in global business and macroeconomic conditions.

If we are unable to successfully maintain effective internal control over financial reporting, investors may lose confidence in our reported financial information and our stock price and business 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. Additionally, we are required to disclose in our Annual Reports on Form 10-K our management's assessment of the effectiveness of our internal control over financial reporting and a registered public accounting firm's attestation report on this assessment. If we are not successful in maintaining effective internal control over financial reporting, there could be inaccuracies or omissions in the consolidated financial information we are required to file with the SEC. Additionally, even if there are no inaccuracies or omissions, we could be required to publicly disclose the conclusion of our management 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, adversely impact our stock price, 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 or cause our stock to be delisted from Nasdaq or any other securities exchange on which we are then listed.

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 net 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 increases 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.

We believe our tax estimates are reasonable. However, we are routinely under audit by federal, state and foreign taxing authorities. The taxing authorities of jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing, or determine that the manner in which we operate our business does not achieve the intended tax consequences, which would increase our effective income tax rate and harm our financial position and results of operations. As we operate in numerous taxing jurisdictions, the application of tax laws can also be subject to diverging and sometimes conflicting interpretations by taxing authorities of these jurisdictions. It is not uncommon for taxing authorities of different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. For example, the OECD has recently recommended changes to numerous long-standing international tax principles. If countries amend their tax laws to adopt certain parts of the OECD guidelines, this may increase tax uncertainty and may adversely impact our tax liabilities. Any of these changes could affect our financial performance.

The final determination of audits could be materially different from our income tax provisions and accruals and could have a material effect on our financial position, results of operations, or cash flows in the period or periods for which that determination is made. Also, our future effective income tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets or changes in tax laws or their interpretation. If our effective income tax rates were to increase, our results of operations and cash flows would be adversely affected.

The income tax effects of the accounting for share-based compensation may significantly impact our effective income tax rate. In periods in which our stock price is higher than the grant-date price of the share-based compensation awards vesting in that period, we will recognize excess tax benefits that will decrease our tax provision. In periods in which our stock price is lower than the grant-date price of the share-based compensation awards vesting in that period, our tax provision will increase.

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 dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Our existing corporate structure and intercompany arrangements have been implemented in a manner we believe is in compliance with current prevailing tax laws. However, due to economic and political conditions, tax rates and tax regimes in various jurisdictions 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 an increase in audit activity, 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.

The 2017 Tax Act has resulted in significant changes to the U.S. corporate income tax system. The tax law changes by the 2017 Tax Act are broad and complex and there are still uncertainties about how the 2017 Tax Act will be interpreted at both the U.S. federal and state levels. The U.S. Treasury Department, the IRS and other standard-setting bodies could interpret or issue guidance on how provisions of the 2017 Tax Act will be applied or otherwise administered that is different from our interpretation. This could materially change the taxes that we recorded since 2017, and the expected future impact of the 2017 Tax Act on our business.

On March 27, 2020, the "CARES Act" was enacted. The CARES Act is an emergency economic stimulus package in response to the COVID-19 pandemic, which among other things contains numerous income tax provisions. Some of these tax provisions are expected to be effective retroactively for years ending before the date of enactment. We anticipate that we may benefit from the temporary five-year net operating loss carryback provisions to generate a refund of previously paid income taxes, modifications to the net interest deduction limitations, the technical correction for qualified leasehold improvements, which changes 39-year property to 15-year property, eligible for 100% tax bonus depreciation, and potentially other provisions within the CARES Act.

The OECD has been working on a Base Erosion and Profit Shifting Project, and issued the Action 1 report in 2015 to address the tax challenges arising from digitalization. Since then, 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. As the OECD/G20 Inclusive Framework drives toward a consensus long-term solution, several countries have introduced unilateral digital service tax initiatives which impose new types of non-income taxes, including taxes based on a percentage of revenue. The Company is monitoring certain U.S. states and countries in which we do business, such as France, Italy, Spain, and the U.K., which have enacted or proposed similar taxes that will be applicable or are likely to be applicable during 2020. We recorded an estimate of \$1 million for digital service tax to general and administrative expense on our unaudited condensed consolidated statement of operations during the three months ended March 31, 2020, however we continue to assess the financial

impact of these new laws. Further, as additional U.S. states and countries introduce unilateral measures we will continue to monitor developments and determine the financial impact worldwide of these initiatives to the Company.

Any changes to international tax laws, including new definitions of permanent establishment, could affect the tax treatment of our foreign earnings and adversely impact our effective income tax rate. Further, changes to tax laws and additional reporting requirements could increase the complexity, burden and cost of compliance. Due to the large and expanding scale of our international business activities, any changes in U.S. or international taxation of our activities or the combined effect of tax laws in multiple jurisdictions may increase our worldwide effective income tax rate, increase the complexity and costs associated with tax compliance (especially if changes are implemented or interpreted inconsistently across tax jurisdictions) and adversely affect our cash flows and results of operations.

In addition, the taxing authorities in the U.S. and other jurisdictions where we do business regularly examine our income and other tax returns as well as the tax returns of Expedia, our former parent. The ultimate outcome of these examinations (including the IRS audit described below) cannot be predicted with certainty. Should the IRS or other taxing authorities assess additional taxes as a result of examinations, we may be required to record charges to our 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 sites and our financial results.

Due to the global nature of the internet, it is possible that various states or foreign countries might attempt to levy additional or new sales, income or other taxes relating to our activities. Tax authorities at the international, federal, state and local levels are currently reviewing the appropriate treatment of companies engaged in e-commerce. 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, such as France, Italy, Spain, and the U.K., 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. 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 condition and operating results.

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 or cases that are pending in the courts. In the event of an adverse outcome, we could face assessments for additional time periods since the last assessments we received, 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) to the extent such amounts resulted from (i) any act or failure to act by us described in the covenants in the tax sharing agreement, (ii) any acquisition of our equity securities or assets or those of a member of our group, or (iii) any failure of the representations with respect to us or any member of our group to be

true or any breach by us or any member of our 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.

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 2011 tax years. In connection with that audit, we received, in January 2017 and April 2019, Notices of Proposed Adjustment from the IRS for the 2009, 2010, and 2011 tax years, which would result in an increase in our worldwide income tax expense. For the pre Spin-Off years, the proposed adjustments would result in an increase to our worldwide income tax expense in an estimated range totaling \$15 million to \$20 million after consideration of competent authority relief, exclusive of interest and penalties. The outcome of these matters or any other audits could subject us to significant tax liabilities.

We are subject to fluctuation in foreign currency exchange risk.

We conduct a significant and growing portion of our business outside the U.S. but report our results in U.S. dollars. As a result, we face exposure to movements in foreign currency exchange rates, particularly those related to the Euro, British pound, and Australian dollar. These exposures include, but are 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, Brexit caused significant volatility in currency exchange rates, especially between the U.S. dollar and the British pound. Continued uncertainty regarding the final terms of Brexit may result in future exchange rate volatility. In addition, 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.

Depending on the size of the exposures and the relative movements of exchange rates, if we were to choose not to hedge or were to fail to hedge effectively our exposure, we could experience a material adverse effect on our financial statements and financial condition. As seen in some recent 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 both 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.

Significant fluctuations in foreign currency exchange rates can affect consumer travel behavior. Volatility in foreign currency exchange rates and its impact on consumer behavior, which may differ across regions, 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 and adversely affect our results of operations.

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), including but not limited to, corporate transactions such as mergers, business combinations or dispositions of assets, the authorization or issuance of new equity or debt securities and determinations with respect to our business direction and policies. 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 they 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 involving or related to our business. LTRIP's control of us, as well as the existing 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 may be volatile and may face negative pressure.

Our stock price 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 the risk factors described in this section and other factors beyond our control. Factors affecting the trading price of our common stock could include:

- 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 pursuant to our share repurchase program which could also cause our stock price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our stock;
- Developments in our industry, including changes in governmental regulations; and
- General market conditions and other factors, including factors related to our operating performance or the operating performance of our competitors.

Furthermore, the stock markets have 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, including those requirements that:

- A majority of the Board of Directors consist of independent directors;
- Compensation of officers be determined or recommended to the Board of Directors by a majority of its independent directors or by a compensation committee comprised solely of independent directors; and
- 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.

We currently rely on the controlled company exemption for certain of the above requirements. 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.

Although the Company's Board of Directors declared, on November 1, 2019, a special cash dividend of \$3.50 per share, or approximately \$488 million in the aggregate, we do not pay regular quarterly or annual cash dividends. 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. 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.

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 equity 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. If LTRIP or some other stockholder sells substantial amounts of our common stock in the public market, or if there is a perception in the public market that LTRIP might sell shares of our common stock, the market price of our common stock could decrease significantly. 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.

Our certificate of incorporation and bylaws contain provisions that could delay or prevent a change of control of our company or changes in our Board of Directors that our stockholders might consider favorable. 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;
- Prohibiting our stockholders from filling board vacancies or calling special stockholder meetings; and
- Limiting who may call special meetings of stockholders.

We are subject to the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. 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 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

During the quarter ended March 31, 2020, 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 of 1933, as amended.

Share Repurchases

On January 31, 2018, Tripadvisor's Board of Directors authorized up to \$250 million of share repurchases. Our Board of Directors authorized and directed management, working with the Executive Committee of our Board of Directors, to affect the share repurchase program in compliance with applicable legal requirements. 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. This repurchase program has no expiration date but may be suspended or terminated by our Board of Directors at any time. While the Board of Directors has not suspended or terminated the share repurchase program, our Second Amendment currently prohibits the Company from engaging in share repurchases. Refer to "Note 14: *Subsequent Events*" in the notes to our unaudited condensed consolidated financial statements in Item 1 in this Quarterly Report on Form 10-Q for further information about our Second Amendment.

A summary of information regarding our common stock repurchases during the first quarter of 2020 is set forth in the table below:

Period	Total Number of Shares Purchased	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or approximate U.S. dollar value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 to January 31	1,264,653	\$ 28.72	1,264,653	\$ 153,251,195
February 1 to February 29	1,039,733	\$ 23.79	1,039,733	\$ 128,496,261
March 1 to March 31	2,403,064	\$ 22.22	2,403,064	\$ 75,042,077
Total	<u>4,707,450</u>		<u>4,707,450</u>	

(1) Exclusive of fees and commission

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On May 5, 2020, Tripadvisor, Inc., a Delaware corporation (the "Company"), Tripadvisor Holdings, LLC, a Massachusetts limited liability company ("Holdings"), and Tripadvisor LLC, a Delaware limited liability company ("Tripadvisor"), entered into the Second Amendment (the "Second Amendment"), among the Company, Holdings, Tripadvisor, 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. The Second Amendment modifies the Credit Agreement dated as of June 26, 2015 (as amended by the First Amendment dated May 12, 2017 and the Second Amendment, the "Amended Credit Agreement"), among the Company, Holdings, Tripadvisor, the other Borrowers from time to time party thereto, the Lenders from time to time party thereto, the Administrative Agent and the London Agent. All defined terms not otherwise defined herein shall have the meaning ascribed to them in the Amended Credit Agreement.

The Second Amendment, among other things:

- suspends the leverage ratio covenant for each fiscal quarter ending after the effective date of the Second Amendment and ending prior to September 30, 2021 (or such earlier date as may be elected by the Company in its sole discretion) (such period, the "Leverage Covenant Holiday");

- adds a minimum liquidity covenant, which requires that the Company and its wholly owned subsidiaries to maintain \$150 million of unrestricted cash, cash equivalents and short-term investments less deferred merchant payables plus available revolver capacity, which shall apply solely during the Leverage Covenant Holiday;
- increases the interest rate margins applicable to revolving loans outstanding and increases the commitment fee on unused revolving commitments, in each case, during any period commencing with the effective date of the Second Amendment and through the Leverage Covenant Holiday; and
- decreases the aggregate amount of revolving loan commitments available under the Second Amendment from \$1.2 billion to \$1.0 billion.

In connection with the Amendment and as collateral to secure the obligations of the Company and its subsidiaries under the Second Amendment, the Company and certain of its subsidiaries have pledged, and granted security interests and liens in and on, substantially all of their respective tangible and intangible assets (including accounts receivable, contract rights and other general intangibles, intellectual property, inventory, equipment, goods, instruments and equity interests and other investment property, and intercompany indebtedness), in each case, subject to customary exceptions. The foregoing pledges, security interests and liens will remain in effect until the Collateral Release Date (as defined in the Amendment).

The Second Amendment includes restrictions on the ability of the Company and its subsidiaries to incur additional indebtedness, repurchase shares, and make investments, dispositions, dividends and other payments, with certain exceptions as more specifically described in the Second Amendment.

The Second Amendment contains customary events of default. If an event of default occurs and is continuing, then, among other things, the lenders may declare any outstanding obligations under the Credit Agreement to be immediately due and payable and exercise rights and remedies against the collateral.

Except as amended by the Second Amendment, the remaining terms of the Credit Agreement remain in full force and effect. The foregoing description of the Second Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Second Amendment referenced as Exhibit 10.8 to this Quarterly Report on Form 10-Q.

Effective May 8, 2020, the Company entered into an Amendment to Employment Agreement with respect to the Employment Agreement, effective November 9, 2015 (as previously amended, effective November 28, 2017, the "Employment Agreement") of Ernst Teunissen, Chief Financial Officer and Senior Vice President, to, among other things:

- Extend the term of Mr. Teunissen's employment to May 31, 2022;
- Provide for a target payment, to be paid in cash or shares of the Company's common stock (in the Company's sole discretion) (the "Target Payment"), upon the earliest to occur of (i) a termination of employment with the Company, other than for Cause or resignation for Good Reason (as such terms are defined in the Employment Agreement), (ii) a Change in Control as defined in the Company's 2018 Stock and Annual Incentive Plan, and (iii) May 31, 2022. Such Target Payment shall be up to a maximum of \$7 million but shall be reduced by the "Current Value" of all of Mr. Teunissen's equity awards in the Company that vest on or after May 1, 2020 and prior to the calculation date of such Target Payment. Current Value will generally reflect the value of the equity awards described in the preceding sentence, as measured on the calculation date of such Target Payment, provided that shares of the Company's common stock shall be ascribed a value of \$34.10 per share if they trade above \$34.10 for one entire trading day during the period described in the preceding sentence. Current Value shall be more specifically described in the Amendment.

Except as amended by the Amendment to Employment Agreement, the remaining terms of the Employment Agreement remain in full force and effect. Terms not otherwise defined herein shall have the meaning ascribed to them in the Amendment to Employment Agreement or the underlying Employment Agreement, as appropriate. The foregoing description of the Amendment to Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment to be filed as an Exhibit 10.9 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q.

Exhibit No.	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	SEC File No.	Exhibit	Filing Date
10.1+	Form of Option Agreement (Domestic)	X				
10.2+	Form of Option Agreement (International)	X				
10.3+	Form of Restricted Stock Unit Agreement (Domestic)	X				
10.4+	Form of Restricted Stock Unit Agreement (International)	X				
10.5+	Form of Restricted Stock Unit Agreement (French)	X				
10.6+	Form of Restricted Stock Unit Agreement (Market-Based) (Domestic)	X				
10.7+	Form of Restricted Stock Unit Agreement (Market-Based) (French)	X				
10.8	Second Amendment, dated as of May 5, 2020, 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 London Agent, BofA Securities, Inc., BMP 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 Barclay's 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
10.9+	Second Amendment to Employment Agreement, dated as of May 8, 2020, between Tripadvisor, LLC and Ernst Teunissen	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.

SIGNATURES

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

Tripadvisor, Inc.

By: _____
/s/ Ernst Teunissen
Ernst Teunissen
Chief Financial Officer

By: _____
/s/ Geoffrey Gouvalaris
Geoffrey Gouvalaris
Chief Accounting Officer

May 8, 2020

TRIPADVISOR, INC. OPTION AGREEMENT
(Domestic)

THIS OPTION AGREEMENT (this “Agreement”), dated as of the grant date specified on the Grant Details referenced below (the “Grant Date”), between TripAdvisor, Inc., a Delaware corporation (the “Company”), and the employee, director or consultant of the Company or one of its Affiliates or Subsidiaries designated on the Grant Details (as defined below) (the “Eligible Individual”), describes the terms of an award of an Option to the Eligible Individual by the Company (the “Award”).

All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the Company’s 2018 Stock and Annual Incentive Plan or any subsequent plan adopted by the Company, (in either case, the “Plan”).

1. Award of Option

- (a) Subject to the terms and conditions of this Agreement, the Plan and the Grant Details, the Company hereby grants the Option to the Eligible Individual. Reference is made to the “Grant Details” that can be found on the equity plan website of the current professional selected by the Company to administer the Plan (the “Plan Administrator”), currently located at www.netbenefits.fidelity.com (or any successor equity administration system selected by the Company to manage the Plan from time to time). The Grant Details, which set forth the number of Shares underlying the Option, the grant price which is the per Share exercise price of the Option, the Grant Date of the Option, and the vesting schedule of the Option (among other information), are hereby incorporated by reference into, and shall be read as part and parcel of, this Agreement.
- (b) The Option shall be a Nonqualified Option. Unless earlier terminated pursuant to the terms of this Agreement or the Plan, the Option shall expire on the ten-year anniversary of the Grant Date.

2. Vesting

- (a) Subject to (i) the terms and conditions of this Agreement, the Grant Details and the Plan, and (ii) the Eligible Individual’s continuous employment with the Company or one of its Subsidiaries or Affiliates, the Option shall vest and become exercisable on each of the vesting dates detailed in the Grant Details (such period between the date of issuance and each vesting date shall be referred to as the “Vesting Period”).
- (b) In the event a Termination of Employment of the Eligible Individual occurs during the Vesting Period for any reason (whether or not in breach of local labor laws), the Eligible Individual’s right to receive the Award and any vesting in the Option under the Plan, if any, will terminate effective as of the date of the Termination of Employment and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of “garden leave” or similar period pursuant to local law); furthermore, in the event of a Termination of Employment (whether or not in breach of local labor laws), the Eligible

Individual's right to vest in the Award after such Termination of Employment, if any, will be measured to the date of the Termination of Employment and will not be extended by any notice period mandated under local law.

3. Manner of Exercise

- (a) This Option is exercisable by delivery of an exercise notice which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised and such other representations and agreements as may be required by the Company or the Plan Administrator (the "Exercise Notice"). The Exercise Notice shall be in the form and delivered in the manner prescribed by the Plan Administrator.
- (b) The Exercise Notice shall be accompanied by payment of the aggregate exercise price as to all Shares in respect of which the Option is being exercised. Payment of the aggregate exercise price may be by any of the following, or a combination thereof: (i) cash, (ii) check, (iii) a "broker-assisted" or "same-day sale"; or (iv) another method authorized by the Company and/or the Plan Administrator.
- (c) No Shares shall be issued pursuant to the exercise of the Option unless such issuance and exercise complies with all relevant provisions of law and the requirements of any stock exchange or quotation service upon which the Shares are then listed.

4. Termination of Employment

(a) Notwithstanding the provisions of Sections 2 and 3 above, in the event the Eligible Individual incurs a Termination of Employment by the Company for Cause, or the Eligible Individual voluntarily incurs a Termination of Employment within two years after any event or circumstance that would have been grounds for a Termination of Employment for Cause, the Eligible Individual's Options (whether or not vested) shall be forfeited and cancelled in their entirety upon such Termination of Employment without any consideration being paid therefor and otherwise without any further action of the Company whatsoever. In such event, the Company may cause the Eligible Individual, immediately upon notice from the Company, to either (i) return the Shares issued upon exercise of such Option that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause or (ii) pay to the Company an amount equal to the aggregate amount, if any, that the Eligible Individual had previously realized in respect of any and all Shares issued upon exercise of such Option that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause (i.e., the value of the Shares upon exercise of the Option), in each case including any dividend equivalents or other distributions received in respect of any such Option.

(b) Notwithstanding anything herein to the contrary, the Eligible Individual and Company acknowledge and agree that in the event of any conflict or inconsistency between the terms of any employment arrangement and the Plan, whichever term is more beneficial to the Eligible Individual between the Plan and the employment arrangement shall prevail. In no event shall the Eligible Individual be entitled to the same type of benefits under both the Plan and any employment arrangement for the same event or qualifying termination.

(c) For purposes of this Agreement, employment with the Company shall include employment with the Company's Subsidiaries or Affiliates. The Committee shall have the exclusive discretion to determine whether there has been any interruption or Termination of Employment, whether there existed Cause or whether there occurred a Change in Control.

5. Non-Transferability of the Option

During the Vesting Period and until as the Option is ultimately exercised as provided herein or on the website of the Plan Administrator, the Option shall not be transferable by the Eligible Individual by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

6. Rights as a Stockholder

Except as otherwise specifically provided in this Agreement, until such time as the Option is exercised, the Eligible Individual shall not be entitled to any rights of a stockholder with respect to the Option.

7. Adjustment in the Event of Change in Stock; Change in Control

(a) In the event of (i) a stock dividend, stock split, reverse stock split, share combination or recapitalization or similar event affecting the capital structure of the Company (each, a "Share Change"), or (ii) a merger, consolidation, acquisition of property or shares, separation, spinoff, reorganization, stock rights offering, liquidation, Disaffiliation, payment of cash dividends other than an ordinary dividend or similar event affecting the Company or any of its Subsidiaries (each, a "Corporate Transaction"), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to the number and kind of shares of Common Stock underlying the Option.

(b) In the case of Corporate Transactions, such adjustments may include, without limitation (i) the cancellation of the Option in exchange for payments of cash, dividend equivalents, property or a combination thereof having an aggregate value equal to the value of such Option, as determined by the Committee or the Board in its sole discretion, (ii) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the shares of Common Stock underlying the Option and (iii) in connection with any Disaffiliation, arranging for the assumption of the Option, or the replacement of the Option with new Awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary or Affiliate or by the entity that controls such Subsidiary or Affiliate following such Disaffiliation (as well as any corresponding adjustments to any Option that remains based upon securities of the Company).

(c) The determination of the Committee regarding any such adjustment will be final and conclusive and need not be the same for all Participants.

8. Taxes, Fees and Withholding

(a) The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Eligible Individual in connection

with the Option, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

- (b) Regardless of any action taken by the Company, its Affiliate or Subsidiary with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Eligible Individual acknowledges that the ultimate liability for all Tax-Related Items legally due by him or her is and remains the Eligible Individual’s responsibility and that the Company and/or its Affiliate or Subsidiary (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the exercise of the Option and issuance of the Shares in connection therewith, the receipt of cash or any dividends or dividend equivalents; and (2) do not commit to structure the terms of the Award or any aspect of the Option to reduce or eliminate the Eligible Individual’s liability for Tax-Related Items.
- (c) In the event that the Company, Subsidiary or Affiliate is required to withhold any Tax-Related Items as a result of the Award, vesting or exercise of the Option, or the receipt of cash or any dividends or dividend equivalents, the Eligible Individual shall pay or make adequate arrangements satisfactory to the Company, Subsidiary or Affiliate to satisfy all withholding and payment on account of obligations of the Company, Subsidiary and/or Affiliate. The obligations of the Company under this Agreement shall be conditioned on compliance by the Eligible Individual with this Section 8. In this regard, the Eligible Individual authorizes the Company and/or its Subsidiary or Affiliate to withhold all applicable Tax-Related Items legally payable by the Eligible Individual from his or her wages or other cash compensation paid to the Eligible Individual by the Company and/or its Subsidiary or Affiliate. Alternatively, or in addition, if permissible under local law, the Company may withhold in Shares, provided that the Company only withholds the amount of Shares necessary to satisfy the minimum withholding amount. Finally, the Eligible Individual will pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Eligible Individual’s participation in the Plan or the Award that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares issuable upon exercise of the Award if the Eligible Individual fails to comply with his or her obligations in connection with the Tax-Related Items as described in this Section.
- (d) In particular, the Eligible Individual understands and acknowledges that all income to which the Eligible Individual is entitled under this Agreement is pre-tax and the Company or its Subsidiaries or Affiliates has the right to withhold and pay on behalf of the Eligible Individual any individual income tax in connection with such income in accordance with applicable law. In the event the Company or its Subsidiaries or Affiliates is not required under applicable law to serve as the withholding agent to withhold and pay on behalf of the Eligible Individual such individual income tax, the Eligible Individual shall have sole responsibility to make such payment, in which case the Eligible Individual shall provide, as requested by the Company or its Subsidiaries or Affiliates from time to time, relevant tax receipts to certify full and prompt payment. The Eligible Individual agrees to indemnify the Company and/or its Subsidiaries or Affiliates for any liability which may arise as a result of his or her failure to pay any and all taxes associated with any income derived pursuant to the Award.
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9. Other Restrictions

- (a) The Award shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the Award shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.
- (b) The Eligible Individual acknowledges that the Eligible Individual is subject to the Company's policies regarding compliance with securities laws, including but not limited to its Insider Trading Policy (as in effect from time to time and any successor policies), and, pursuant to these policies, if the Eligible Individual is on the Company's insider list, the Eligible Individual shall be required to obtain pre-clearance from the Company's General Counsel prior to purchasing or selling any of the Company's securities (including in connection with the "cashless" exercise of an Option), and may be prohibited from selling such shares other than during an open trading window. The Eligible Individual further acknowledges that, in its discretion, the Company may prohibit the Eligible Individual from selling such shares even during an open trading window if the Company has concerns over the potential for insider trading.

10. Nature of Award

In accepting the Award, the Eligible Individual acknowledges that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;
- (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past;
- (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;
- (d) the Eligible Individual's participation in the Plan will not create a right to further employment with the Company, its Subsidiary or Affiliate and shall not interfere with the ability of the Company to terminate the Eligible Individual's employment relationship at any time with or without Cause;
- (e) the Eligible Individual is voluntarily participating in the Plan;
- (f) the Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company, Subsidiary, or Affiliate, and such Award is outside the scope of the Eligible Individual's employment contract, if any;
- (g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination,
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redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, Subsidiary or Affiliate;

(h) in the event that the Eligible Individual is not an employee of the Company, a Subsidiary or an Affiliate, the Award will not be interpreted to form an employment contract or relationship with the Company, a Subsidiary or Affiliate; and

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award resulting from Termination of the Eligible Individual's employment by the Company, Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Eligible Individual irrevocably releases the Company, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Eligible Individual will be deemed irrevocably to have waived his or her entitlement to pursue such claim.

11. No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Eligible Individual's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Eligible Individual is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Eligible Individual's participation in the Plan, receipt of the Award and/or disposition of the Award before taking any action related to the Plan or the Award.

12. Notices

Any notices, communications or changes to this Agreement shall be communicated (either directly by the Company or indirectly through any of its Subsidiaries, Affiliates or the Plan Administrator) to the Eligible Individual electronically via email (or otherwise in writing) promptly after such change becomes effective.

13. Effect of Agreement; Severability

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

14. Laws Applicable to Construction; Consent to Jurisdiction

(a) The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition

to the terms and conditions set forth in this Agreement, the Option is subject to the terms and conditions of the Plan, which are hereby incorporated by reference.

(b) Any and all disputes arising under, as a result of or out of this Agreement, including without limitation any issues involving the construction, enforcement or interpretation of any of the provisions of this Agreement, the Plan or the Plan Prospectus, shall be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

15. Conflicts; Interpretation and Correction of Errors

(a) In the event of any (i) conflict between the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, or (ii) ambiguity in the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, the Plan shall control.

(b) The Committee shall have the power to interpret the Plan, this Agreement, the Grant Details, any information posted on the system of the Plan Administrator and/or the books and records of the Company, and to adopt such rules for the administration, interpretation and application of the Plan and the Award as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Option has vested). All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested parties. The Committee shall not be personally responsible for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement. The Committee shall, in their absolute discretion, determine when any conditions have been fulfilled.

(c) In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to the Eligible Individual pursuant to the Plan, the Company, acting through the executive compensation and benefits team, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document.

16. Data Privacy

(a) The Eligible Individual understands that the Company, Subsidiary, Affiliate and/or Plan Administrator may hold certain personal information about him or her, including, but not limited to, the Eligible Individual's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Eligible Individual's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The Eligible Individual hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her Data as described in this document by and among, as applicable, the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(b) The Eligible Individual understands that Data will be transferred to the Plan Administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Eligible Individual understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Eligible Individual's country. The Eligible Individual authorizes the Company, its Subsidiary or Affiliate, the Plan Administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(c) The Eligible Individual understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Eligible Individual's local human resources representative. The Eligible Individual understands, however, that refusing or withdrawing his or her consent may affect the Eligible Individual's ability to participate in the Plan. For more information on the consequences of the Eligible Individual's refusal to consent or withdrawal of consent, the Eligible Individual understands that he or she may contact his or her local human resources representative.

17. Amendment

(a) The Company may modify, amend or waive the terms of this Award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of the Eligible Individual without his or her consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

(b) This Award and payments made pursuant to this Agreement and the Plan are intended to qualify for an exemption from, or comply with, the applicable requirements of Section 409A of the Code. If the Company makes a good faith determination that any compensation provided under this Agreement is likely to be subject to the additional tax imposed by Section 409A of the Code, the Company may, to the extent it deems necessary or advisable, modify this Agreement, without the Eligible Individual's consent, to reduce the risk that such additional tax will apply, in a manner designed to preserve the material economic benefits intended to be provided to the Eligible Individual under this Agreement (other than any diminution of such benefit that may be attributable to the time value of money resulting from a delay in the timing of payments hereunder for a period of approximately six months or such longer period as may be required).

18. Choice of Language

The Eligible Individual has received this Agreement and any other related communications and consents to having received these documents solely in English. If, however, the Eligible

Individual receives this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version in any way, the English version will control.

19. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to the Award and participation in the Plan or future Awards that may be awarded under the Plan by electronic means or to request the Eligible Individual's consent to participate in the Plan by electronic means. The Eligible Individual hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

By electronically accepting this Agreement and participating in the Plan, the Eligible Individual agrees to be bound by the terms and conditions of the Plan and this Agreement, including the Grant Details. If Eligible Individual has not electronically accepted this Agreement on the Plan Administrator's website within six months of the Grant Date, then this Award shall automatically be deemed accepted and Eligible Individual shall be bound by the terms and conditions in the Plan, this Agreement, including the Grant Details.

TRIPADVISOR, INC. OPTION AGREEMENT
(International)

THIS OPTION AGREEMENT (this “Agreement”), dated as of the Grant Date specified on the Grant Details referenced below (the “Grant Date”), between TripAdvisor, Inc., a Delaware corporation (the “Company”), and the employee, director or consultant of the Company or one of its Affiliates or Subsidiaries designated on the Grant Details (as defined below) (the “Eligible Individual”), describes the terms of an award of an Option to the Eligible Individual by the Company.

All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the Company’s 2018 Stock and Annual Incentive Plan or any subsequent plan adopted by the Company, (in either case, the “Plan”).

1. Award of Option

- (a) Subject to the terms and conditions of this Agreement, the Plan and the Grant Details, the Company hereby grants the Option to the Eligible Individual. Reference is made to the “Grant Details” that can be found on the equity plan website of the current professional selected by the Company to administer the Plan (the “Plan Administrator”), currently located at www.netbenefits.fidelity.com (or any successor equity administration system selected by the Company to manage the Plan from time to time). The Grant Details, which set forth the number of Shares underlying the Option, the grant price which is the per Share exercise price of the Option, the Grant Date of the Option, and the vesting schedule of the Option (among other information), are hereby incorporated by reference into, and shall be read as part and parcel of, this Agreement.
- (b) The Option shall be a Nonqualified Option. Unless earlier terminated pursuant to the terms of this Agreement or the Plan, the Option shall expire on the ten-year anniversary of the Grant Date.

2. Vesting

- (a) Subject to (i) the terms and conditions of this Agreement, the Grant Details and the Plan, and (ii) the Eligible Individual’s continuous employment with the Company or one of its Subsidiaries or Affiliates, the Option shall vest and become exercisable on each of the vesting dates detailed in the Grant Details (such period between the date of issuance and each vesting date shall be referred to as the “Vesting Period”).
- (b) In the event a Termination of Employment of the Eligible Individual occurs during the Vesting Period for any reason (whether or not in breach of local labor laws), the Eligible Individual’s right to receive the Award and any vesting in the Option under the Plan, if any, will terminate effective as of the date of the Termination of Employment and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of “garden leave” or similar period pursuant to local law); furthermore, in the event of a Termination of Employment (whether or not in breach of local labor laws), the Eligible

Individual's right to vest in the Award after such Termination of Employment, if any, will be measured to the date of the Termination of Employment and will not be extended by any notice period mandated under local law.

3. Manner of Exercise

- (a) This Option is exercisable by delivery of an exercise notice which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised and such other representations and agreements as may be required by the Company or the Plan Administrator (the "Exercise Notice"). The Exercise Notice shall be in the form and delivered in the manner prescribed by the Plan Administrator.
- (b) The Exercise Notice shall be accompanied by payment of the aggregate exercise price as to all Shares in respect of which the Option is being exercised. Payment of the aggregate exercise price may be by any of the following, or a combination thereof: (i) cash, (ii) check, (iii) a "broker-assisted" or "same-day sale"; or (iv) another method authorized by the Company and/or the Plan Administrator.
- (c) No Shares shall be issued pursuant to the exercise of the Option unless such issuance and exercise complies with all relevant provisions of law and the requirements of any stock exchange or quotation service upon which the Shares are then listed.

4. Termination of Employment

- (a) Notwithstanding the provisions of Sections 2 and 3 above, in the event the Eligible Individual incurs a Termination of Employment by the Company for Cause, or the Eligible Individual voluntarily incurs a Termination of Employment within two years after any event or circumstance that would have been grounds for a Termination of Employment for Cause, the Eligible Individual's Options (whether or not vested) shall be forfeited and cancelled in their entirety upon such Termination of Employment without any consideration being paid therefor and otherwise without any further action of the Company whatsoever. In such event, the Company may cause the Eligible Individual, immediately upon notice from the Company, to either (i) return the Shares issued upon exercise of such Option that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause or (ii) pay to the Company an amount equal to the aggregate amount, if any, that the Eligible Individual had previously realized in respect of any and all Shares issued upon exercise of such Option that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause (i.e., the value of the Shares upon exercise of the Option), in each case including any dividend equivalents or other distributions received in respect of any such Option.
- (b) Notwithstanding anything herein to the contrary, the Eligible Individual and Company acknowledge and agree that in the event of any conflict or inconsistency between the terms of any employment arrangement and the Plan, whichever term is more beneficial to the Eligible Individual between the Plan and the employment arrangement shall prevail. In no event shall the Eligible Individual be entitled to the same type of benefits under both the Plan and any employment arrangement for the same event or qualifying termination.

- (c) For purposes of this Agreement, employment with the Company shall include employment with the Company's Subsidiaries or Affiliates. The Committee shall have the exclusive discretion to determine whether there has been any interruption or Termination of Employment, whether there existed Cause or whether there occurred a Change in Control.

5. Non-Transferability of the Option

During the Vesting Period and until the Option is ultimately exercised as provided herein or on the website of the Plan Administrator, the Option shall not be transferable by the Eligible Individual by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

6. Rights as a Stockholder

Except as otherwise specifically provided in this Agreement, until such time as the Option is exercised, the Eligible Individual shall not be entitled to any rights of a stockholder with respect to the Option.

7. Adjustment in the Event of Change in Stock; Change in Control

(a) In the event of (i) a stock dividend, stock split, reverse stock split, share combination or recapitalization or similar event affecting the capital structure of the Company (each, a "Share Change"), or (ii) a merger, consolidation, acquisition of property or shares, separation, spinoff, reorganization, stock rights offering, liquidation, Disaffiliation, payment of cash dividends other than an ordinary dividend or similar event affecting the Company or any of its Subsidiaries (each, a "Corporate Transaction"), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to the number and kind of shares of Common Stock underlying the Option.

(b) In the case of Corporate Transactions, such adjustments may include, without limitation (i) the cancellation of the Option in exchange for payments of cash, dividend equivalents, property or a combination thereof having an aggregate value equal to the value of such Option, as determined by the Committee or the Board in its sole discretion, (ii) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the shares of Common Stock underlying the Option and (iii) in connection with any Disaffiliation, arranging for the assumption of the Option, or the replacement of the Option with new Awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary or Affiliate or by the entity that controls such Subsidiary or Affiliate following such Disaffiliation (as well as any corresponding adjustments to any Option that remains based upon securities of the Company).

(c) The determination of the Committee regarding any such adjustment will be final and conclusive and need not be the same for all Participants.

8. Taxes, Fees and Withholding

- (a) The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Eligible Individual in connection

with the Option, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

- (b) Regardless of any action taken by the Company, its Affiliate or Subsidiary with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Eligible Individual acknowledges that the ultimate liability for all Tax-Related Items legally due by him or her is and remains the Eligible Individual’s responsibility and that the Company and/or its Affiliate or Subsidiary (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the exercise of the Option and issuance of the Shares in connection therewith, the receipt of cash or any dividends or dividend equivalents; and (2) do not commit to structure the terms of the Award or any aspect of the Option to reduce or eliminate the Eligible Individual’s liability for Tax-Related Items.
- (c) In the event that the Company, Subsidiary or Affiliate is required to withhold any Tax-Related Items as a result of the award, vesting or exercise of the Option, or the receipt of cash or any dividends or dividend equivalents, the Eligible Individual shall pay or make adequate arrangements satisfactory to the Company, Subsidiary or Affiliate to satisfy all withholding and payment on account of obligations of the Company, Subsidiary and/or Affiliate. The obligations of the Company under this Agreement shall be conditioned on compliance by the Eligible Individual with this Section 8. In this regard, the Eligible Individual authorizes the Company and/or its Subsidiary or Affiliate to withhold all applicable Tax-Related Items legally payable by the Eligible Individual from his or her wages or other cash compensation paid to the Eligible Individual by the Company and/or its Subsidiary or Affiliate. The Company may, in its sole discretion and pursuant to such provisions as it may specify from time to time, withhold in Shares the amount of Shares necessary to satisfy the minimum withholding amount or arrange for the sale of such number of Shares as is necessary to pay any Tax-Related Items. In connection herewith, the Eligible Individual (i) authorizes, empowers and directs the Company and the Plan Administrator (or such brokerage firm as is contracted to manage the Company’s employee equity award program, the “Broker”) to sell, at the market price and on the Exercise Date or as soon thereafter as is practicable, the number of Shares sufficient to pay the Tax-Related Items, and (ii) agrees to indemnify and hold harmless the Broker and the Company from and against all losses, liabilities, damages, claims and expenses, including reasonable attorneys’ fees and court costs, arising out of carrying out such actions. Finally, the Eligible Individual will pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Eligible Individual’s participation in the Plan or the Award that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares issuable upon exercise of the Award if the Eligible Individual fails to comply with his or her obligations in connection with the Tax-Related Items as described in this Section.
- (d) In particular, the Eligible Individual understands and acknowledges that all income to which the Eligible Individual is entitled under this Agreement is pre-tax and the Company or its Subsidiaries or Affiliates has the right to withhold and pay on behalf of the Eligible Individual any individual income tax in connection with such income in accordance with applicable law. In the event the Company or its Subsidiaries or Affiliates is not required under applicable law to serve as the withholding agent to withhold and pay on behalf of the Eligible Individual such individual income tax, the Eligible Individual shall have sole responsibility to make such payment, in which

case the Eligible Individual shall provide, as requested by the Company or its Subsidiaries or Affiliates from time to time, relevant tax receipts to certify full and prompt payment. The Eligible Individual agrees to indemnify the Company and/or its Subsidiaries or Affiliates for any liability which may arise as a result of his or her failure to pay any and all taxes associated with any income derived pursuant to the Award.

9. Other Restrictions

- (a) The Option shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the Award shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.
- (b) The Eligible Individual acknowledges that the Eligible Individual is subject to the Company's policies regarding compliance with securities laws, including but not limited to its Insider Trading Policy (as in effect from time to time and any successor policies), and, pursuant to these policies, if the Eligible Individual is on the Company's insider list, the Eligible Individual shall be required to obtain pre-clearance from the Company's General Counsel prior to purchasing or selling any of the Company's securities (including in connection with the "cashless" exercise of an Option), and may be prohibited from selling such shares other than during an open trading window. The Eligible Individual further acknowledges that, in its discretion, the Company may prohibit the Eligible Individual from selling such shares even during an open trading window if the Company has concerns over the potential for insider trading.

10. Nature of Award

In accepting the Award, the Eligible Individual acknowledges that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;
- (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if Awards have been made repeatedly in the past;
- (c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;
- (d) the Eligible Individual's participation in the Plan will not create a right to further employment with the Company, its Subsidiary or Affiliate and shall not interfere with the ability of the Company to terminate the Eligible Individual's employment relationship at any time with or without Cause;
- (e) the Eligible Individual is voluntarily participating in the Plan;

(f) the Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company, Subsidiary, or Affiliate, and such Award is outside the scope of the Eligible Individual's employment contract, if any;

(g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, Subsidiary or Affiliate;

(h) in the event that the Eligible Individual is not an employee of the Company, a Subsidiary or an Affiliate, the Award will not be interpreted to form an employment contract or relationship with the Company, a Subsidiary or Affiliate; and

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award resulting from Termination of the Eligible Individual's Employment by the Company, Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Eligible Individual irrevocably releases the Company, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Eligible Individual will be deemed irrevocably to have waived his or her entitlement to pursue such claim.

11. No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Eligible Individual's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Eligible Individual is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Eligible Individual's participation in the Plan, receipt of the Award and/or disposition of the Award before taking any action related to the Plan or the Award.

12. Notices

Any notices, communications or changes to this Agreement shall be communicated (either directly by the Company or indirectly through any of its Subsidiaries, Affiliates or the Plan Administrator) to the Eligible Individual electronically via email (or otherwise in writing) promptly after such change becomes effective.

13. Effect of Agreement; Severability

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

14. Laws Applicable to Construction; Consent to Jurisdiction

(a) The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the Option is subject to the terms and conditions of the Plan, which are hereby incorporated by reference.

(b) Any and all disputes arising under, as a result of or out of this Agreement, including without limitation any issues involving the constructions, enforcement or interpretation of any of the provisions of this Agreement, the Plan or the Plan Prospectus shall be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

15. Conflicts; Interpretation and Correction of Errors

(a) In the event of any (i) conflict between the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, or (ii) ambiguity in the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, the Plan shall control.

(b) The Committee shall have the power to interpret the Plan, this Agreement, the Grant Details, any information posted on the system of the Plan Administrator and/or the books and records of the Company, and to adopt such rules for the administration, interpretation and application of the Plan and the Award as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Option has vested). All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested parties. The Committee shall not be personally responsible for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement. The Committee shall, in their absolute discretion, determine when any conditions have been fulfilled.

(c) In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to the Eligible Individual pursuant to the Plan, the Company, acting through the executive compensation and benefits team, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document.

16. Data Privacy

(a) The Eligible Individual understands that the Company, Subsidiary, Affiliate and/or Plan Administrator may hold certain personal information about him or her, including, but not limited to, the Eligible Individual's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Eligible Individual's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The Eligible

Individual hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her Data as described in this document by and among, as applicable, the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(b) The Eligible Individual understands that Data will be transferred to the Plan Administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Eligible Individual understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Eligible Individual's country. The Eligible Individual authorizes the Company, its Subsidiary or Affiliate, the Plan Administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(c) The Eligible Individual understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Eligible Individual's local human resources representative. The Individual understands, however, that refusing or withdrawing his or her consent may affect the Eligible Individual's ability to participate in the Plan. For more information on the consequences of the Eligible Individual's refusal to consent or withdrawal of consent, the Eligible Individual understands that he or she may contact his or her local human resources representative.

17. Amendment

The Company may modify, amend or waive the terms of the Award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of the Eligible Individual without his or her consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

18. Choice of Language

The Eligible Individual has received this Agreement and any other related communications and consents to having received these documents solely in English. If, however, the Eligible Individual receives this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version in any way, the English version will control.

19. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to the Award and participation in the Plan or future Awards that may be awarded under the Plan by electronic means or to request the Eligible Individual's consent to participate in the Plan by

electronic means. The Eligible Individual hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

By electronically accepting this Agreement and participating in the Plan, the Eligible Individual agrees to be bound by the terms and conditions of the Plan and this Agreement, including the Grant Details. If Eligible Individual has not electronically accepted this Agreement on the Plan Administrator's website within six months of the Grant Date, then this Award shall automatically be deemed accepted and Eligible Individual shall be bound by the terms and conditions in the Plan, this Agreement, including the Grant Details.

20. Currency Exchange Risk

The Eligible Individual agrees and acknowledges that that Eligible Individual shall bear any and all risks associated with the exchange or fluctuation of currency associated with the Award, including without limitation the settlement of the Award and/or sale of the Shares (the "Currency Risk"). Eligible Individual waives and releases the Company, its Subsidiaries and Affiliates and the Plan Administrator from any potential claims arising out of the Currency Risk. Eligible Individual acknowledges and agrees that Eligible Individual shall with any and all exchange control requirements applicable to the Award and the sale of the Shares and any resulting funds including, without limitation, reporting or repatriation requirements.

21. Appendix

Notwithstanding any provisions in this Agreement to the contrary, the Option shall be subject to any special terms and conditions set forth in the Appendix to the Agreement. Moreover, if Eligible Individual relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Eligible Individual to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Eligible Individual's relocation). The Appendix constitutes a party of this Agreement and is incorporated by reference as fully as though set forth herein.

22. No Public Offer

The Award of the Option is not intended to be a public offering of securities in the Eligible Individual's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Option is not subject to the supervision of the local securities authorities.

23. Imposition of Other Requirements

The Company reserves the right to impose other requirements on the Eligible Individual's participation in the Plan, on the Award of the Option and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require the Eligible Individual to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**APPENDIX
ADDITIONAL TERMS AND CONDITIONS OF THE TRIPADVISOR, INC.
OPTION AGREEMENT
(INTERNATIONAL)**

Terms and Conditions

This Appendix includes special terms and conditions applicable to Eligible Individuals residing in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Unless otherwise provided below, capitalized terms used but not defined herein shall have the meaning assigned to them in the Plan and/or the Agreement.

Notifications

This Appendix also includes country-specific information of which the Eligible Individual should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Eligible Individual does not rely on the information noted herein as the only source of information relating to the consequences of the Eligible Individual's participation in the Plan because the information may be out of date at the time that the Eligible Individual vests in Share awards or sells Shares acquired under the Plan.

In addition, the information is general in nature and may not apply to the Eligible Individual's particular situation, and the Company is not in a position to assure the Eligible Individual of any particular result. Accordingly, the Eligible Individual is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, please note that if the Eligible Individual is a citizen or resident of a country other than the country in which he or she is currently working, or transfers employment after grant, the information contained in this Appendix may not be applicable to the Eligible Individual.

European Union ("EU")/ European Economic Area ("EEA") Data Privacy

The following replaces Section 16 of the Agreement:

In order to offer participation in the Plan, it is necessary for the Company to collect and process certain information about Eligible Individual. Further detail about this is set out below.

Eligible Individual's participation in the Plan is voluntary. Eligible Individual may withdraw from the Plan at any time. Withdrawal from the Plan will not affect Eligible Individual's salary as an employee or his or her employment; Eligible Individual would merely forfeit the opportunities and benefits associated with the Plan.

If Eligible Individual withdraws from the Plan, the Company will cease to use Eligible Individual's information for the purpose of the Plan (subject to the data retention requirements set out below).

Data Collection and Usage. The Company collects personal information about Eligible Individual for purposes of administration of the Plan, including: name, home address, telephone number and email address, date of birth, social insurance number, passport or other identification number, salary, citizenship, nationality, job title, any equity, shares of stock or directorships held in the Company and its Affiliates, details of all Options or any other entitlement to equity granted, canceled, vested, unvested or outstanding in Eligible Individual's favor, which the Company receives from Eligible Individual or the Employer ("Eligible Individual Data").

The Company will process and use Eligible Individual Data for the purposes of allocating stock and implementing, administering and managing the Plan. The Company's legal basis for the processing of Eligible Individual's Data is based on contractual necessity for the performance of the Plan.

Stock Plan Administration Service Providers. The Company currently uses Fidelity and its affiliated companies ("Fidelity") as its service provider for the Plan. The Company shares your Eligible Individual Data with Fidelity for the purposes of implementing, administering and managing the Plan. Fidelity is based in the United States. In the future, the Company may select a different service provider and share Eligible Individual Data with another company that serves in a similar manner. The Company's service provider(s) will open an account for Eligible Individual to receive and trade stock. Eligible Individual may be asked to agree to separate terms and data processing practices with the service provider(s), which is a condition to his or her participation in the Plan.

International Data Transfers. The Company and its service provider(s), including Fidelity, are based in the United States, which means that it will be necessary for Eligible Individual Data to be transferred to, and processed in, the US. Eligible Individual should note that his or her country may have enacted data privacy laws that are different from the United States and which may offer different levels of protection. The legal basis for the transfer of Eligible Individual Data is based on contractual necessity for the performance of the Plan.

Data Retention. The Company will use Eligible Individual Data only as long as is necessary to implement, administer and manage his or her participation in the Plan or as may be required by the Company in order to comply with legal or regulatory obligations, including under tax and securities laws (which will generally be no more than 7 years after the Eligible Individual ceases participating in the Plan).

Data Subject Rights. Eligible Individual has a number of rights under data privacy laws in his or her country. Depending on where Eligible Individual is based, his or her rights may include: (a) the right of access to the Eligible Individual's personal data held by the Company, (b) the right of rectification of incorrect data, (c) the right to erasure of data, (d) the right to restriction of processing, and (e) the right to data portability.

If you have any questions about any aspect of the Plan or these terms, please contact privacy@tripadvisor.com.

Argentina

Exchange Control Notice. Argentine currency exchange restrictions and reporting requirements may apply to the Option and any Shares acquired under the Plan; the relevant laws and regulations are subject to frequent change. Eligible Individual should consult his or her personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset/Account Reporting Notice. If Eligible Individual holds Shares as of December 31 of any year, he or she is required to report the holding of the Shares on his or her personal tax return for the relevant year.

Austria

There are no country-specific provisions.

Brazil

Nature of Grant. In accepting the grant of the Option, Eligible Individual agrees that he or she is making an investment decision, the Shares will be issued to Eligible Individual only if the vesting conditions are met, the Option is exercised and any necessary services are rendered by Eligible Individual over the vesting period, and the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to Eligible Individual.

Compliance with the Law. In accepting the grant of the Option, the Eligible Individual acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable tax associated with the Option, the sale of the Shares acquired under the Plan and the receipt of any cash dividends paid on such Shares.

Labor Law Acknowledgment. The Eligible Individual agrees, for all legal purposes, (i) the benefits provided under the Agreement and the Plan are the result of commercial transactions unrelated to the Eligible Individual's employment; (ii) the Agreement and the Plan are not a part of the terms and conditions of the Employee's employment; and (iii) the income from the Option, if any, is not part of the Employee's remuneration from employment.

Exchange Control Information. If Eligible Individual is a resident or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Assets and rights that must be reported include Shares.

Canada

Settlement of Stock Awards. Notwithstanding any discretion or anything to the contrary in the Plan, the grant of the Awards does not provide any right for Eligible Individual to receive a cash payment and the Awards will be settled in Shares only.

Taxes, Fees and Withholding. This provision supplements Section 8 of the Agreement. Any share withholding by the Company is subject to the consent of the Eligible Individual at the time of option exercise.

Authorization to Release and Transfer Necessary Personal Information. This provision supplements Section 21 of the Agreement:

Eligible Individual hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Eligible Individual further authorizes the Company and its Affiliates and the Committee, which administers the Plan, to disclose and discuss the Plan with their advisors. Eligible Individual further authorizes the Company and any Affiliate to record such information and to keep such information in Eligible Individual's employee file.

Chile

Labor Law Acknowledgement. The Option and the Shares underlying the Option, and the income and value of same, shall not be considered as part of your remuneration for purposes of determining the calculation base of future indemnities, whether statutory or contractual, for years of service (severance) or in lieu of prior notice, pursuant to Article 172 of the Chilean Labor Code.

Securities Law Information. This grant of Option constitutes a private offering of securities in Chile effective as of the Grant Date. This offer of Option is made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance ("SVS"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given that the Options are not registered in Chile, TripAdvisor is not required to provide public information about the Options or the Shares in Chile. Unless the Options and/or the Shares are registered with the SVS, a public offering of such securities cannot be made in Chile.

Exchange Control Information. You are not required to repatriate any funds you receive with respect to the Options (e.g., any proceeds from the sale of any Shares issued upon vesting of the Option) to Chile. However, if you decide to repatriate such funds, you acknowledge that you will be required to effect such repatriation through the Formal Exchange Market (i.e., a commercial bank or registered foreign exchange office) if the amount of the funds repatriated exceeds US\$10,000. Further, if the value of your aggregate investments held outside Chile exceeds US\$5,000,000 (including Shares and any other cash proceeds acquired under the Plan) at any time in a calendar year, you must report the status of such investments to the Central Bank of Chile.

You will also be required to provide certain information to the Chilean Internal Revenue Service ("CIRS") regarding the results of investments held abroad and the taxes you have paid

abroad (if you will be seeking a credit against Chilean income tax owed). This information must be submitted on certain electronic sworn statements before March 19 or June 30 of each year, depending on the assets or taxes being reported. The statements may be found at the CIRS website at www.sii.cl.

You may be ineligible to receive certain foreign tax credits if you fail to meet the applicable reporting requirements. Exchange control and tax reporting requirements in Chile are subject to change, and you should consult with your personal legal and tax advisor regarding any reporting obligations that you may have in connection with the Restricted Stock.

Columbia

Nature of Grant. This provision supplements the Agreement: Eligible Individual acknowledges that pursuant to Article 128 of the Colombian Labor Code, the Plan and related benefits do not constitute a component of “salary” for any legal purpose.

Exchange Control Notice. Prior approval from a government authority is not required to purchase and hold foreign securities or to receive an equity award. However, if the value of foreign investments, including the value of any equity awards, equals or exceeds US \$500,000 (as of December 31 of the applicable year), such investments must be registered with the Central Bank (*Banco de la República*). When the foreign investment is liquidated, the proceeds do not have to be repatriated to Colombia. However, if the investment was registered with the Central Bank, Eligible Individual must cancel the registration no later than March 31 of the year following the year of the liquidation or Eligible Individual will be subject to fines.

Foreign Asset / Account Reporting Notice: Eligible Individual must file an annual informative return with the Colombian Tax Office detailing any assets held abroad. If the individual value of any of these assets exceeds a certain threshold, Eligible Individual must describe each asset and indicate the jurisdiction in which it is located, its nature and its value.

Denmark

Employer Statement: Eligible Individual acknowledges that he or she has received the attached Employer Statement, translated into Danish, which sets forth additional terms of the Options as required by the Danish Stock Option Act, to the extent that the Danish Stock Option Act applies to the Options.

Foreign Asset / Account Reporting Notice: Danish residents must submit certain forms to the Danish tax authorities: Erklæring V must be completed in connection with the deposit of any securities (including Shares acquired under the Plan) into a bank or brokerage account outside of Denmark and Erklæring K must be completed to report the existence of any account outside of Denmark in which Shares or cash will be held. These forms are available at the website of the Danish Tax Authorities.

SPECIAL NOTICE FOR EMPLOYEES IN DENMARK

EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the “Stock Option Act”), you are entitled to receive the following information regarding the restricted stock units granted to you by TripAdvisor, Inc. (the “Company”) under the TripAdvisor, Inc. 2018 Stock and Annual Incentive Plan (the “Plan”) in a written statement.

This statement contains information applicable to your participation in the Plan, as required under the Stock Option Act, while the other terms and conditions of your Options are described in detail in the Plan and the Option Agreement (the “Agreement”), both of which have been made available to you. Capitalized terms used but not defined herein shall have the same meanings given to them in the Plan or the Agreement, as applicable.

Section 1 of the Stock Option Act provides that the Stock Option Act only applies to employees. Employees are defined in section 2 of the Stock Option Act as persons who receive remuneration for their personal services in an employment relationship. Persons, including managers, who are not regarded as employees under the Stock Option Act, will not be subject to the Stock Option Act. If you are not an employee within the meaning of the Stock Option Act, the Company therefore has no obligation to issue an employer information statement to you and you will not be able to rely on this statement for legal purposes, since only the terms and conditions set out in the Plan apply.

1. Date of grant

The date of grant of your Options is the date that the Board or Committee that approved a grant for you determined it would be effective, which is set forth in the Notice.

2. Terms or conditions for Option grant

The grant of Options under the Plan is made at the sole discretion of the Company. Employees, Non-Employee Directors and Consultants of the Company and its Affiliates, are eligible to receive grants under the Plan. The Board has broad discretion to determine who will receive Options and to set the terms and conditions of the Options. The Company may decide, in its sole discretion, not to make any grants of Options to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future grants of Options.

3. Vesting date or period

The Options will vest over a period of time (as set forth in the Agreement), subject to your continued employment through the applicable vesting date and other conditions set forth in the Plan and Agreement, and subject to Section 5 of this statement.

4. Your rights upon termination of employment

The treatment of your Options upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the Plan and the Agreement are more favorable to you than Sections 4 and 5 of the Stock Option Act. If the terms contained in the Plan and the Agreement are more favorable to you, then such terms will govern the treatment of your Options upon termination of employment.

5. Financial aspects of participating in the Plan

The grant of Options has no immediate financial consequences for you. The value of the Options is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stock will always have financial risk. The future value of Company shares is unknown and cannot be predicted with certainty.

European Union Countries

Securities Law Notice. This offer is being made to Eligible Individuals as part of an employee incentive program in order to provide an additional incentive and to encourage employee share ownership and to increase employee's interest in the success of the Company. The shares which are the subject of these rights are existing shares of Common Stock of the Company. More information in relation to the Company, including the share price can be found at the following web address: <http://ir.tripadvisor.com/investor-relations>. The obligation to publish a prospectus does not apply under Article 1(4)(i) of the EU Prospectus Regulation.

Finland

There are no country-specific provisions.

Germany

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In case of payments in connection with the sale of Shares acquired under the Plan or the receipt of any cash dividends, the report must be filed electronically by the 5th day of the month following the month in which the payment was received. The form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English.

Hong Kong

Securities Law Notice. The Award and Shares issued upon exercise (if any) do not constitute a public offering of securities under Hong Kong law and are available only to Eligible Individuals of the Company, its Affiliates and Subsidiaries. The Agreement, including this Appendix, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The Award is intended only for the personal use of each Eligible Individual of the Company, its Affiliates or its Subsidiaries and may not be distributed to any other person. If Eligible Individual is in any doubt about any of the contents of the Agreement, including this Appendix, or the Plan, Eligible Individual should obtain independent professional advice.

Vesting of Awards and Sale of Shares. In the event the Eligible Individual's Awards vest and Shares are issued to the Eligible Individual within six months of the date of grant, the Eligible

Individual agrees that he or she will not dispose of any of such Shares prior to the six-month anniversary of the date of grant.

Nature of the Plan. The Company specifically intends that the Plan will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Scheme Ordinance (“ORSO”). To the extent that any court, tribunal or legal/regulatory body in Hong Kong determines that the Plan constitutes an occupational retirement scheme for the purpose of ORSO, the grant of Options shall be null and void.

Iceland

This offer is being made to employees as part of an employee incentive programme in order to provide an additional incentive and to encourage employee share ownership and to increase your interest in the success of TripAdvisor, Inc., its Subsidiaries and Affiliates. The company offering these rights is TripAdvisor, Inc. The shares which are the subject of these rights are existing shares of Common Stock of TripAdvisor, Inc. More information in relation to TripAdvisor, Inc., including the share price can be found at the following web address: <http://ir.tripadvisor.com/investor-relations>.

India

Tax Information. The amount subject to tax at vesting may be dependent upon a valuation of Shares from a Merchant Banker in India. The Company has no responsibility or obligation to obtain the most favorable valuation possible nor obtain valuations more frequently than required under Indian tax law.

Exchange Control Obligations. Eligible Individual understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares to India in accordance with local foreign exchange rules and regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee’s failure to comply with applicable laws.

Ireland

Director Notification Obligation. Directors, shadow directors and secretaries of the Company’s Irish Affiliates are subject to certain notification requirements under the Irish Companies Act. Directors, shadow directors and secretaries must notify the Irish Affiliates in writing of their interest in the Company (*e.g.*, Option, RSUs, Shares, etc.) and the number and class of shares or rights to which the interest relates within five days of the acquisition or disposal of shares or within five days of becoming aware of the event giving rise to the notification. This disclosure requirement also applies to any rights or shares acquired by the director’s spouse or children (under the age of 18).

Italy

Data Privacy. This provision replaces in its entirety the “Data Privacy” section of the Award Agreement:

Data Privacy. *The Eligible Individual understands that the Employer and/or the Company may hold certain personal information about the Eligible Individual, including, but not limited to, Awardee's name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Shares held and the details of any Option or any other entitlement to Stock awarded, cancelled, exercised, vested, unvested or outstanding (the "Data") for the purpose of implementing, administering and managing the Eligible Individual's participation in the Plan. The Eligible Individual is aware that providing the Company with the Eligible Individual's Data is necessary for the performance of the Award Agreement and that the Eligible Individual's refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect the Eligible Individual's ability to participate in the Plan.*

The Controller of personal Data processing is TripAdvisor, Inc., 400 1st Avenue, Needham, MA 02494, U.S.A., and, pursuant to D.lgs 196/2003, its representative in Italy is TripAdvisor Italy, S.r.l., with its registered offices at Corso Garibaldi, n 86 6th Floor, 20121 Milan MI

Italy. The Eligible Individual understands that Data may be transferred to the Company or its Affiliates, or to any third parties assisting with the implementation, administration and management of the Plan, including any transfer required to Fidelity Stock Plan Services, LLC or such other stock plan service provider as may be selected by the Company, or any other third party with whom cash from the sale of Shares acquired under the Plan may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union, and the recipients' country (e.g., the United States) may have different data privacy laws and protections from Awardee's country. The processing activity, including the transfer of the Eligible Individual's Data abroad, outside of the European Union, as herein specified and pursuant to applicable laws and regulations, does not require the Eligible Individual's consent thereto as the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. the Eligible Individual understands that Data processing relating to the purposes above specified shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to D.lgs. 196/2003.

The Eligible Individual understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage the Eligible Individual's participation in the Plan. The Eligible Individual understands that pursuant to art.7 of D.lgs 196/2003, the Eligible Individual has the right, including but not limited to, access, delete, update, request the rectification of the Eligible Individual's Data and cease, for legitimate reasons, Data processing. Furthermore, the Eligible Individual is aware that the Eligible Individual's Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting the Eligible Individuals local human representative.

Grant Terms Acknowledgment. By accepting the Option, the Eligible Individual acknowledges that the Eligible Individual has received a copy of the Plan and the Award Agreement, including this Appendix, in their entirety and fully understands and accepts all the provisions of the Plan and the Award Agreement. The Eligible Individual further acknowledges having read and specifically approves the following sections of the Award Agreement: Vesting, Issuance of Stock, Termination of Employment, Tax Withholding, Nature of Grant, Governing Law and Venue and Imposition of Other Requirements, and the Data Privacy section in this Appendix.

Foreign Asset/Account Reporting Information. If the Eligible Individual holds investments abroad or foreign financial assets (*e.g.*, cash, Shares, RSUs) that may generate income taxable in Italy, the Eligible Individual is required to report them on his or her annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to the Eligible Individual if the Eligible Individual is a beneficial owner of the investments, even if the Eligible Individual does not directly hold investments abroad or foreign assets.

Foreign Asset Tax. The value of the financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (*e.g.*, Shares) assessed at the end of the calendar year.

Japan

Foreign Asset/Account Reporting Information. The Eligible Individual will be required to report details of any assets held outside of Japan as of December 31 (including Shares acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. The Eligible Individual should consult with his or her personal tax advisor as to whether the reporting obligation applies to the Eligible Individual and whether the Eligible Individual will be required to report details of his or her outstanding Options, as well as Shares, in the report.

Mexico

Labor Law Policy and Acknowledgment. By accepting the Option, Eligible Individual expressly recognizes that TripAdvisor, Inc., with registered offices at 400 1st Avenue, Needham, MA 02494 U.S.A., is solely responsible for the administration of the Plan and that Eligible Individual's participation in the Plan and acquisition of Shares do not constitute an employment relationship between Eligible Individual and the Company since Eligible Individual is participating in the Plan on a wholly commercial basis and Eligible Individual's sole Employer is [TripAdvisor Mexico entity or employer] ("TripAdvisor -Mexico"). Based on the foregoing, Eligible Individual expressly recognizes that the Plan and the benefits that Eligible Individual may derive from his or her participation in the Plan do not establish any rights between Eligible Individual and TripAdvisor-Mexico, and do not form part of the employment conditions and/or benefits provided by TripAdvisor-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of Eligible Individual's employment.

Eligible Individual further understands that his or her participation in the Plan is a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue Eligible Individual's participation at any time without any liability to Eligible Individual.

Finally, Eligible Individual hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and Eligible Individual therefore grants a full and broad release to the Company, its Affiliates, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Plan Document Acknowledgment. By accepting the Option, Eligible Individual acknowledges that he or she has received a copy of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement. In addition, by accepting the Options, Eligible Individual acknowledges that he or she has read and specifically and expressly approves the terms and conditions of the Agreement ("Nature of Award"), in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) neither the Company, the Employer nor any Affiliate is responsible for any decrease in the value of the Shares underlying the Option.

Netherlands

There are no country-specific provisions.

Norway

Securities Law Notice. This offer is being made to Eligible Individuals as part of an employee incentive program in order to provide an additional incentive and to encourage employee share ownership and to increase employee's interest in the success of the Company. The shares which are the subject of these rights are existing shares of Common Stock of the Company. More information in relation to the Company, including the share price can be found at the following web address: <http://ir.tripadvisor.com/investor-relations>. The obligation to publish a prospectus is not applicable under Article 7-1 and Article 7-6 of the Norwegian Securities Trading Act (which implement Article 1(4)(i) of the EU Prospectus Regulation).

Portugal

Language Consent. The Eligible Individual hereby express declares that he or she has full knowledge of the English language and has read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Consentimento linguístico. Pela presente, O indivíduo elegível por este meio expressa declara que ele ou ela tem pleno conhecimento da língua inglesa e tem lido, compreendido e plenamente aceito e acordado com os termos e condições estabelecidos no plano e no acordo.

Exchange Control Notification. If the Eligible Individual holds Shares issued upon exercise of Options, the acquisition of Shares could be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary could submit the report on Participant's behalf. If the Shares are not deposited with a commercial bank or financial intermediary in Portugal, the Eligible Individual is responsible for submitting the report to the Banco de Portugal.

Republic of Korea

Securities Law Notice. If the Eligible Individual are employed in the Republic of Korea then, notwithstanding anything set forth in the Plan documents, your Options are granted by the Company, not your employer.

Foreign Asset/Account Reporting Notice. Eligible Individual must declare all of his or her foreign financial accounts (i.e., non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authorities and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency) on any month-end date during the year.

Singapore

Securities Law Notice. The grant of this Award is made in reliance on section 273(1)(f) of the Securities and Futures Act (Cap. 289) ("SFA") for which it is exempt from the prospectus and registration requirements under the SFA.

Director Notification Obligation. If Eligible Individual is a director, associate director or shadow director (i.e., a non-director who has sufficient control so that the directors act in accordance with the directions and instructions of this individual) of the Company's local entity in Singapore, he or she is subject to notification requirements under the Singapore Companies Act. Some of these notification requirements will be triggered by Eligible Individual's participation in the Plan. Specifically, Eligible Individual is required to notify the local Singapore company when he or she acquires or disposes an interest in the Company, including when Eligible Individual receives Shares upon vesting of this Award and when Eligible Individual sells these Shares. The notification must be in writing and must be made within two days of acquiring or disposing of any interest in the Company (or within two days of initially becoming a director, associate director or shadow director of the Company's local entity in Singapore). If Eligible Individual is unclear as to whether he or she is a director, associate director or shadow director of the Company's local entity in Singapore or the form of the notification, he or she should consult with his or her personal legal advisor.

Spain

Nature of Grant. This provision supplements the "Nature of Award" section of the Award Agreement:

In accepting the Options, the Eligible Individual consents to participation in the Plan and acknowledges that he or she has received a copy of the Plan.

Further, the Eligible Individual understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Options under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Award will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis. Consequently, the Eligible Individual understands that the Award is granted on the assumption and condition that the Options or the Shares acquired upon exercise shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Eligible Individual understands that this Award would not be made to the Eligible Individual but for the assumptions and conditions referred to above; thus, the Eligible Individual acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Award shall be null and void.

The Eligible Individual also understands and agrees that, as a condition of the grant and vesting of the Option, the termination of the Eligible Individual's employment for any reason (including the reasons listed below), the Option will cease vesting immediately, effective on the date of the Eligible Individual's termination of employment. This will be the case, for example, even in the event of a termination of the Eligible Individual's employment by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with Cause (as defined in the Agreement), disciplinary dismissal adjudged or recognized to be without Cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without Cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. "Cause" shall be as defined in the Agreement, regardless of whether the termination is considered a fair termination (i.e. *despido procedente*) under Spanish legislation.

The Eligible Individual acknowledges that he or she has read and specifically accepts the conditions referred to in the "Termination of Employment" and "Nature of Award" sections of the Award Agreement.

Securities Law Information. The grant of this Award and the Shares issued pursuant to the vesting and exercise of the Award are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

Exchange Control Information. To participate in the Plan, the Eligible Individual must comply with exchange control regulations in Spain. The acquisition of Shares upon vesting and exercise of the Option and the sale of Shares must be declared on Form D-6, for statistical purposes, to the *Dirección General de Comercio e Inversiones* (the "DGCI") of the Ministry of Industry, Tourism and Commerce. Generally, the D-6 form must be filed each January while the shares are owned or to report the sale of Shares.

Whenever receiving foreign currency payments derived from the ownership of Stock (i.e., cash dividends or sale proceeds) exceeding €50,000, the Eligible Individual must inform the financial institution receiving the payment of the basis upon which such payment is made. The

Eligible Individual will need to provide the institution with the following information: (i) the Eligible Individual's name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any further information that may be required.

Foreign Asset/Account Reporting Information. To the extent that the Eligible Individual holds rights or assets (*e.g.*, Shares or cash held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, Shares, cash, etc.) as of December 31 each year, the Eligible Individual will be required to report information on such rights and assets on his or her tax return for such year. After such rights and assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31 following the end of the relevant year. It is the Eligible Individual's responsibility to comply with these reporting obligations, and the Eligible Individual should consult with his or her personal tax and legal advisors in this regard.

In addition, the Eligible Individual is required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities (including Shares acquired under the Plan) held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

Sweden

There are no country-specific provisions.

Switzerland

Securities Law Information. The Award is considered a private offering in Switzerland and is therefore not subject to registration. Neither this document nor any other materials relating to the Award (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland, or (c) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

United Arab Emirates

Securities Law Notice. The Plan is only being offered to qualified employees and is in the nature of providing equity incentives to employees of the Company's Subsidiary in the United Arab Emirates. The Plan and the Agreement are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Eligible Individual should conduct his or her own due diligence on the Option offered pursuant to this Agreement. If Eligible Individual does not understand the contents of the Plan and/or the Agreement, he or she should consult an authorized financial adviser. The Emirates Securities and Commodities Authority and the Dubai Financial Services Authority have no responsibility for reviewing or verifying any documents in connection with the Plan. Further, the Ministry of the Economy and the Dubai

Department of Economic Development have not approved the Plan or the Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

United Kingdom

Settlement of Stock Awards. Notwithstanding any discretion or anything to the contrary in the Plan, the grant of the Award does not provide any right for Eligible Individual to receive a cash payment and the Awards will be settled in Shares only.

Tax and National Insurance Contributions Acknowledgment. The following provision supplements Section 8 of the Agreement:

Eligible Individual agrees that if Eligible Individual does not pay or the Employer or the Company does not withhold from Eligible Individual the full amount of Tax-Related Items that Eligible Individual owes in connection with the vesting of the Award and/or the acquisition of Shares pursuant to the vesting of the Award, or the release or assignment of the Award for consideration, or the receipt of any other benefit in connection with the Award (the “*Taxable Event*”) within ninety (90) days after the Taxable Event, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by Eligible Individual to the Employer, effective ninety (90) days after the Taxable Event. Eligible Individual agrees that the loan will bear interest at the official rate of HM Revenue and Customs (“HMRC”) and will be immediately due and repayable by Eligible Individual, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to Eligible Individual by the Employer, by withholding in Shares issued upon vesting of the Award or from the cash proceeds from the sale of such Shares or by demanding cash or a cheque from Eligible Individual. Eligible Individual also authorizes the Company to withhold the transfer of any Shares unless and until the loan is repaid in full.

Notwithstanding the foregoing, if Eligible Individual is an officer or executive director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that Eligible Individual is an officer or executive director and Tax-Related Items are not collected from or paid by Eligible Individual within ninety (90) days of the Taxable Event, the amount of any uncollected Tax-Related Items may constitute a benefit to Eligible Individual on which additional income tax and National Insurance contributions may be payable. Eligible Individual will be responsible for reporting any income tax and National Insurance contributions due on this additional benefit directly to HMRC under the self-assessment regime.

TRIPADVISOR, INC. RESTRICTED STOCK UNIT AGREEMENT
(Domestic)

THIS RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”), dated as of the grant date specified on the Grant Details referenced below (the “Grant Date”), between TripAdvisor, Inc., a Delaware corporation (the “Company”), and the employee, director or consultant of the Company or one of its Subsidiaries or Affiliates designated on the Grant Details (as defined below) (the “Eligible Individual”), describes the terms of an award of restricted stock units (“RSUs”) to the Eligible Individual by the Company (the “Award”).

All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the Company’s 2018 Stock and Annual Incentive Plan or any subsequent plan adopted by the Company (in either case, the “Plan”).

1. Award and Vesting of RSUs

- (a) Subject to the terms and conditions of this Agreement and the Plan and the Grant Details, the Company hereby grants RSUs to the Eligible Individual. Reference is made to the “Grant Details” that can be found on the equity plan website of the current professional selected by the Company to administer the Plan (the “Plan Administrator”), currently located at www.netbenefits.fidelity.com (or any successor equity administration system selected by the Company to manage the Plan from time to time). The Grant Details, which sets forth the number of RSUs granted to the Eligible Individual by the Company, the Grant Date and the vesting schedule of the RSUs (among other information), are hereby incorporated by reference into, and shall be read as part and parcel of, this Agreement.
- (b) Subject to the terms and conditions of this Agreement, the Grant Details and the Plan, RSUs shall vest and no longer subject to any restriction (such period during which restrictions apply referred to as the “RSU Restriction Period”) on the dates detailed in the Grant Details.

2. Settlement of RSUs

As soon as practicable after any RSUs have vested and are no longer subject to the RSU Restriction Period (but in no event later than sixty (60) days thereafter), such RSUs shall be settled. Subject to Section 7 (pertaining to the withholding of taxes), for each RSU settled pursuant to this Section 2, the Company may, in its sole discretion, settle the RSUs in cash or Shares by causing to be delivered to the Eligible Individual one or more unlegended, freely-transferable stock certificates in respect of such Shares issued upon settlement of the vested RSUs. Notwithstanding the foregoing, the Company shall be entitled to hold the Shares issuable upon settlement of RSUs that have vested until the Company or Plan Administrator shall have received from the Eligible Individual a duly executed Form W-9 or Form W-8, as applicable, as well as such other documents as may be legally required.

U.S. Employee – Version March 2020

3. Termination of Employment

(a) In the event a Termination of Employment of the Eligible Individual occurs during the RSU Restriction Period for any reason (whether or not in breach of local labor laws), except as otherwise provided in the Plan or any written employment agreement between the Company and the Eligible Individual (an "Employment Arrangement"), the Eligible Individual's right to receive the RSUs under the Plan, if any, will terminate effective as of the date of the Termination of Employment and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of a Termination of Employment (whether or not in breach of local labor laws), the Eligible Individual's right to receive the RSUs after such Termination of Employment, if any, will be measured to the date of the Termination of Employment and will not be extended by any notice period mandated under local law, unless otherwise provided in the Plan or an Employment Arrangement. The Eligible Individual shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate the Eligible Individual for the loss of any rights under this Agreement or the Plan.

(b) Notwithstanding the provisions of Section 1 above, in the event the Eligible Individual incurs a Termination of Employment by the Company for Cause, or the Eligible Individual voluntarily incurs a Termination of Employment within two years after any event or circumstance that would have been grounds for a Termination of Employment for Cause, the Eligible Individual's RSUs (whether or not vested) shall be forfeited and cancelled in their entirety upon such Termination of Employment without any consideration being paid therefor and otherwise without any further action of the Company whatsoever. In such event, the Company may cause the Eligible Individual, immediately upon notice from the Company, to either (i) return the Shares issued upon settlement of RSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause or (ii) pay to the Company an amount equal to the aggregate amount, if any, that the Eligible Individual had previously realized in respect of any and all Shares issued upon settlement of RSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause (*i.e.*, the value of the RSUs upon vesting), in each case including any dividend equivalents or other distributions received in respect of any such RSUs.

(c) Notwithstanding anything herein to the contrary, the Eligible Individual and Company acknowledge and agree that in the event of any conflict or inconsistency between the terms of any employment arrangement and the Plan, whichever term is more beneficial to the Eligible Individual between the Plan and the employment arrangement shall prevail. In no event shall Eligible Individual be entitled to the same type of benefits under both the Plan and any employment arrangement for the same event or qualifying termination.

(d) For purpose of this Agreement, employment with the Company shall include employment with the Company's Subsidiaries or Affiliates. The Committee shall have the exclusive discretion to determine whether there has been any interruption or Termination of Employment, whether there existed Cause or whether there occurred a Change in Control.

4. Non-Transferability of the RSUs

During the RSU Restriction Period and until the RSUs are settled as provided herein or on the website of the Plan Administrator, the RSUs shall not be transferable by the Eligible Individual by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

5. Rights as a Stockholder

Except as otherwise specifically provided in this Agreement, during the RSU Restriction Period the Eligible Individual shall not be entitled to any rights of a stockholder with respect to the RSUs. Notwithstanding the foregoing, if the Company declares and pays dividends on the Common Stock during the RSU Restriction Period, the Eligible Individual will be credited with additional amounts for each RSU equal to the dividend that would have been paid with respect to such RSU if it had been an actual share of Common Stock, which amount shall remain subject to restrictions (and as determined by the Committee may be reinvested in RSUs or may be held in kind as restricted property) and shall vest concurrently with the vesting of the RSUs upon which such dividend equivalent amounts were paid. Notwithstanding the foregoing, dividends and distributions other than regular cash dividends, if any, may result in an adjustment pursuant to Section 6 below, rather than under this Section 5.

6. Adjustment in the Event of Change in Stock; Change in Control

(a) In the event of (i) a stock dividend, stock split, reverse stock split, share combination or recapitalization or similar event affecting the capital structure of the Company (each, a “Share Change”), or (ii) a merger, consolidation, acquisition of property or shares, separation, spinoff, reorganization, stock rights offering, liquidation, Disaffiliation, payment of cash dividends other than an ordinary dividend or similar event affecting the Company or any of its Subsidiaries (each, a “Corporate Transaction”), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to the number of RSUs and the number and kind of shares of Common Stock underlying the RSUs.

(b) In the case of Corporate Transactions, such adjustments may include, without limitation (i) the cancellation of RSUs in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such RSUs, as determined by the Committee or the Board in its sole discretion, (ii) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the shares of Common Stock underlying the RSUs and (iii) in connection with any Disaffiliation, arranging for the assumption of the RSUs, or the replacement of the RSUs with new Awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary or Affiliate or by the entity that controls such Subsidiary or Affiliate following such Disaffiliation (as well as any corresponding adjustments to any RSUs that remain based upon securities of the Company).

(c) The determination of the Committee regarding any such adjustment will be final and conclusive and need not be the same for all Eligible Individuals.

7. **Taxes, Fees and Withholding**

- (a) The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Eligible Individual in connection with the RSUs, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.
- (b) Regardless of any action taken by the Company, its Affiliate or Subsidiary with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Eligible Individual acknowledges that the ultimate liability for all Tax-Related Items legally due by him or her is and remains the Eligible Individual’s responsibility and that the Company and/or its Affiliate or Subsidiary (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant and vesting of the RSUs, the receipt of cash or any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate the Eligible Individual’s liability for Tax-Related Items.
- (c) In the event that the Company, Subsidiary or Affiliate is required to withhold any Tax-Related Items as a result of the award or vesting of the RSUs, or the receipt of cash or any dividends or dividend equivalents, the Eligible Individual shall pay or make adequate arrangements satisfactory to the Company, Subsidiary or Affiliate to satisfy all withholding and payment on account of obligations of the Company, Subsidiary and/or Affiliate. The obligations of the Company under this Agreement shall be conditioned on compliance by the Eligible Individual with this Section 7. In this regard, the Eligible Individual authorizes the Company and/or its Subsidiary or Affiliate to withhold all applicable Tax-Related Items legally payable by the Eligible Individual from his or her wages or other cash compensation paid to the Eligible Individual by the Company and/or its Subsidiary or Affiliate. The Company may, in its sole discretion and pursuant to such provisions as it may specify from time to time, withhold in Shares the amount of Shares necessary to satisfy the minimum withholding amount or arrange for the sale of such number of Shares as is necessary to pay any Tax-Related Items. In connection herewith, the Eligible Individual (i) authorizes, empowers and directs the Company and the Plan Administrator (or such brokerage firm as is contracted to manage the Company’s employee equity award program, the “Broker”) to sell, at the market price and on the Exercise Date or as soon thereafter as is practicable, the number of Shares sufficient to pay the Tax-Related Items, and (ii) agrees to indemnify and hold harmless the Broker and the Company from and against all losses, liabilities, damages, claims and expenses, including reasonable attorneys’ fees and court costs, arising out of carrying out such actions. Finally, the Eligible Individual will pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Eligible Individual’s participation in the Plan or the Eligible Individual’s Award that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares underlying the RSU if the Eligible Individual fails to comply with his or her obligations in connection with the Tax-Related Items as described in this Section.
- (d) In particular, the Eligible Individual understands and acknowledges that all income to which the Eligible Individual is entitled under this Agreement is pre-tax and the Company or its Subsidiaries or Affiliates has the right to withhold and pay on behalf of the Eligible Individual any individual income tax in connection with such income in accordance with applicable law. In the

event the Company or its Subsidiaries or Affiliates is not required under applicable law to serve as the withholding agent to withhold and pay on behalf of the Eligible Individual such individual income tax, the Eligible Individual shall have sole responsibility to make such payment, in which case the Eligible Individual shall provide, as requested by the Company or its Subsidiaries or Affiliates from time to time, relevant tax receipts to certify full and prompt payment. The Eligible Individual agrees to indemnify the Company and/or its Subsidiaries or Affiliates for any liability which may arise as a result of his or her failure to pay any and all taxes associated with any income derived pursuant to the Awards.

8. Other Restrictions

- (a) The Award shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the Award shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.
- (b) The Eligible Individual acknowledges that the Eligible Individual is subject to the Company's policies regarding compliance with securities laws, including but not limited to its Insider Trading Policy (as in effect from time to time and any successor policies), and, pursuant to these policies, if the Eligible Individual is on the Company's insider list, the Eligible Individual shall be required to obtain pre-clearance from the Company's General Counsel prior to purchasing or selling any of the Company's securities, including any shares issued upon vesting of the RSUs, and may be prohibited from selling such shares other than during an open trading window. The Eligible Individual further acknowledges that, in its discretion, the Company may prohibit the Eligible Individual from selling such shares even during an open trading window if the Company has concerns over the potential for insider trading.

9. Nature of Award

In accepting the Award, the Eligible Individual acknowledges that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;
- (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if Awards have been made repeatedly in the past;
- (c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;
- (d) the Eligible Individual's participation in the Plan will not create a right to further employment with the Company, its Subsidiary or Affiliate and shall not interfere with the ability of the Company to terminate the Eligible Individual's employment relationship at any time with or without Cause;

(e) the Eligible Individual is voluntarily participating in the Plan;

(f) the Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company, Subsidiary, or Affiliate, and such Award is outside the scope of the Eligible Individual's employment contract, if any;

(g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, Subsidiary or Affiliate;

(h) in the event that the Eligible Individual is not an employee of the Company, a Subsidiary or an Affiliate, the Award will not be interpreted to form an employment contract or relationship with the Company; and

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award resulting from Termination of the Eligible Individual's employment by the Company, Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Eligible Individual irrevocably releases the Company, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Eligible Individual will be deemed irrevocably to have waived his or her entitlement to pursue such claim.

10. No Advice Regarding Grant.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Eligible Individual's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Eligible Individual is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Eligible Individual's participation in the Plan, receipt of the Award and/or disposition of the Award before taking any action related to the Plan or the Award.

11. Notices

Any notices, communications or changes to this Agreement shall be communicated (either directly by the Company or indirectly through any of its Subsidiaries, Affiliates or the Plan Administrator) to the Eligible Individual electronically via email (or otherwise in writing) promptly after such change becomes effective.

12. Effect of Agreement; Severability

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

13. Laws Applicable to Construction; Consent to Jurisdiction

(a) The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the RSUs are subject to the terms and conditions of the Plan, which are hereby incorporated by reference.

(b) Any and all disputes arising under, as a result of or out of this Agreement, including without limitation any issues involving the construction, enforcement or interpretation of any of the provisions of this Agreement, the Plan or the Plan Prospectus, shall be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

14. Conflicts; Interpretation and Correction of Errors

(a) In the event of any (i) conflict between the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, or (ii) ambiguity in the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, the Plan shall control.

(b) The Committee shall have the power to interpret the Plan, this Agreement, the Grant Details, any information posted on the system of the Plan Administrator and/or the books and records of the Company, and to adopt such rules for the administration, interpretation and application of the Plan and the Award as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any RSUs have vested). All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Eligible Individual, the Company and all other interested parties. The Committee shall not be personally responsible for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement. The Committee shall, in their absolute discretion, determine when any conditions have been fulfilled.

(c) In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to the Eligible Individual pursuant to the Plan, the Company, acting through the executive compensation and benefits team, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document.

15. Data Privacy

(a) The Eligible Individual understands that the Company, Subsidiary, Affiliate and/or Plan Administrator may hold certain personal information about the Eligible Individual, including, but not limited to, the Eligible Individual's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Eligible Individual's favor, for the purpose of implementing, administering and managing the Plan

("Data"). The Eligible Individual hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her Data as described in this document by and among, as applicable, the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(b) The Eligible Individual understands that Data will be transferred to the Plan Administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Eligible Individual understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Eligible Individual's country. The Eligible Individual authorizes the Company, its Subsidiary or Affiliate, the Plan Administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(c) The Eligible Individual understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Eligible Individual's local human resources representative. The Eligible Individual understands, however, that refusing or withdrawing his or her consent may affect the Eligible Individual's ability to participate in the Plan. For more information on the consequences of the Eligible Individual's refusal to consent or withdrawal of consent, the Eligible Individual understands that he or she may contact his or her local human resources representative.

16. Amendment

(a) The Company may modify, amend or waive the terms of this Award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of the Eligible Individual without his or her consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

(b) This Award and payments made pursuant to this Agreement and the Plan are intended to qualify for an exemption from, or comply with, the applicable requirements of Section 409A of the Code. If the Company makes a good faith determination that any compensation provided under this Agreement is likely to be subject to the additional tax imposed by Section 409A of the Code, the Company may, to the extent it deems necessary or advisable, modify this Agreement, without the Eligible Individual's consent, to reduce the risk that such additional tax will apply, in a manner designed to preserve the material economic benefits intended to be provided to the Eligible Individual under this Agreement (other than any diminution of such benefit that may be attributable to the time value of money resulting from a delay in the timing of payments hereunder for a period of approximately six months or such longer period as may be required).

17. Choice of Language

The Eligible Individual has received this Agreement and any other related communications and consents to having received these documents solely in English. If, however, the Eligible Individual receives this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version in any way, the English version will control.

18. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to the Award and participation in the Plan or future awards that may be awarded under the Plan by electronic means or to request the Eligible Individual's consent to participate in the Plan by electronic means. The Eligible Individual hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

By electronically accepting this Agreement and participating in the Plan, the Eligible Individual agrees to be bound by the terms and conditions of the Plan and this Agreement, including the Grant Details. If Eligible Individual has not electronically accepted this Agreement on the Plan Administrator's website within six months of the Grant Date, then this Award shall automatically be deemed accepted and Eligible Individual shall be bound by the terms and conditions in the Plan, this Agreement, including the Grant Details.

**TRIPADVISOR, INC. RESTRICTED STOCK UNIT AGREEMENT
(International)**

THIS RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”), dated as of the grant date specified on the Grant Details referenced below (the “Grant Date”), between TripAdvisor, Inc., a U.S. Delaware corporation (the “Company”), and the employee, director or consultant of the Company or one of its Subsidiaries or Affiliates designated on the Grant Details (as defined below) (the “Eligible Individual”), describes the terms of an Award of restricted stock units (“RSUs”) to the Eligible Individual by the Company (the “Award”).

All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the Company’s 2018 Stock and Annual Incentive Plan or any subsequent plan adopted by the Company (in either case, the “Plan”).

1. Award and Vesting of RSUs

(a) Subject to the terms and conditions of this Agreement, the Plan and the Grant Details, the Company hereby grants RSUs to the Eligible Individual. Reference is made to the “Grant Details” that can be found on the equity plan website of the current professional selected by the Company to administer the Plan (the “Plan Administrator”), currently located at www.netbenefits.fidelity.com (or any successor equity administration system selected by the Company to manage the Plan from time to time). The Grant Details, which set forth the number of RSUs granted to the Eligible Individual by the Company, the Grant Date and the vesting schedule of the RSUs (among other information), are hereby incorporated by reference into, and shall be read as part and parcel of, this Agreement.

(b) Subject to the terms and conditions of this Agreement, the Grant Details and the Plan, RSUs shall vest and no longer subject to any restriction (such period during which restrictions apply referred to as the “RSU Restriction Period”) on the dates detailed in the Grant Details.

2. Settlement of RSUs

As soon as practicable after any RSUs have vested and are no longer subject to the RSU Restriction Period (but in no event later than sixty (60) days thereafter), such RSUs shall be settled. Subject to Section 7 (pertaining to the withholding of taxes), for each RSU settled pursuant to this Section 2, the Company may, in its sole discretion, settle the RSUs in cash and shares by causing to be delivered to the Eligible Individual one or more unlegended, freely-transferable stock certificates in respect of such Shares issued upon settlement of the vested RSUs. Notwithstanding the foregoing, the Company shall be entitled to hold the Shares issuable upon settlement of RSUs that have vested until the Company or Plan Administrator shall have received from the Eligible Individual a duly executed Form W-9 or Form W-8, as applicable, as well as such other documents as may be legally required.

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3. Termination of Employment

(a) In the event a Termination of Employment of the Eligible Individual occurs during the RSU Restriction Period for any reason (whether or not in breach of local labor laws), except as otherwise provided in the Plan or any written employment agreement between the Company and the Eligible Individual (an "Employment Arrangement"), the Eligible Individual's right to receive the RSUs under the Plan, if any, will terminate effective as of the date of the Termination of Employment and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of a Termination of Employment (whether or not in breach of local labor laws), the Eligible Individual's right to receive the RSUs after such Termination of Employment, if any, will be measured to the date of the Termination of Employment and will not be extended by any notice period mandated under local law, unless otherwise provided in the Plan or an Employment Arrangement. The Eligible Individual shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate the Eligible Individual for the loss of any rights under this Agreement or the Plan.

(b) Notwithstanding the provisions of Section 1 above, in the event the Eligible Individual incurs a Termination of Employment by the Company for Cause, or the Eligible Individual voluntarily incurs a Termination of Employment within two years after any event or circumstance that would have been grounds for a Termination of Employment for Cause, the Eligible Individual's RSUs (whether or not vested) shall be forfeited and cancelled in their entirety upon such Termination of Employment without any consideration being paid therefor and otherwise without any further action of the Company whatsoever. In such event, the Company may cause the Eligible Individual, immediately upon notice from the Company, to either (i) return the Shares issued upon settlement of RSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause or (ii) pay to the Company an amount equal to the aggregate amount, if any, that the Eligible Individual had previously realized in respect of any and all Shares issued upon settlement of RSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause (*i.e.*, the value of the RSUs upon vesting), in each case including any dividend equivalents or other distributions received in respect of any such RSUs.

(c) Notwithstanding anything herein to the contrary, the Eligible Individual and Company acknowledge and agree that in the event of any conflict or inconsistency between the terms of any employment arrangement and the Plan, whichever term is more beneficial to the Eligible Individual between the Plan and the employment arrangement shall prevail. In no event shall Eligible Individual be entitled to the same type of benefits under both the Plan and any employment arrangement for the same event or qualifying termination.

(d) For purpose of this Agreement, employment with the Company shall include employment with the Company's Subsidiaries or Affiliates. The Committee shall have the exclusive discretion to determine whether there has been any interruption or Termination of Employment, whether there existed Cause or whether there occurred a Change in Control.

4. Non-Transferability of the RSUs

During the RSU Restriction Period and until the RSUs are settled as provided herein or on the website of the Plan Administrator, the RSUs shall not be transferable by the Eligible Individual by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

5. Rights as a Stockholder

Except as otherwise specifically provided in this Agreement, during the RSU Restriction Period, the Eligible Individual shall not be entitled to any rights of a stockholder with respect to the RSUs. Notwithstanding the foregoing, if the Company declares and pays dividends on the Common Stock during the RSU Restriction Period, the Eligible Individual will be credited with additional amounts for each RSU equal to the dividend that would have been paid with respect to such RSU if it had been an actual share of Common Stock, which amount shall remain subject to restrictions (and as determined by the Committee may be reinvested in RSUs or may be held in kind as restricted property) and shall vest concurrently with the vesting of the RSUs upon which such dividend equivalent amounts were paid. Notwithstanding the foregoing, dividends and distributions other than regular cash dividends, if any, may result in an adjustment pursuant to Section 6 below, rather than under this Section 5.

6. Adjustment in the Event of Change in Stock; Change in Control

(a) In the event of (i) a stock dividend, stock split, reverse stock split, share combination, or recapitalization or similar event affecting the capital structure of the Company (each, a “Share Change”), or (ii) a merger, consolidation, acquisition of property or shares, separation, spinoff, reorganization, stock rights offering, liquidation, Disaffiliation, payment of cash dividends other than an ordinary dividend or similar event affecting the Company or any of its Subsidiaries (each, a “Corporate Transaction”), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to the number of RSUs and the number and kind of shares of Common Stock underlying the RSUs.

(b) In the case of Corporate Transactions, such adjustments may include, without limitation (i) the cancellation of RSUs in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such RSUs, as determined by the Committee or the Board in its sole discretion, (ii) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the shares of Common Stock underlying the RSUs and (iii) in connection with any Disaffiliation, arranging for the assumption of the RSUs, or the replacement of the RSUs with new Awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary or Affiliate or by the entity that controls such Subsidiary or Affiliate following such Disaffiliation (as well as any corresponding adjustments to any RSUs that remain based upon securities of the Company).

(c) The determination of the Committee regarding any such adjustment will be final and conclusive and need not be the same for all Eligible Individuals.

7. Taxes, Fees and Withholding

(a) The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Eligible Individual in connection with the RSUs, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

(b) Regardless of any action taken by the Company, its Affiliate or Subsidiary with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Eligible Individual acknowledges that the ultimate liability for all Tax-Related Items legally due by him or her is and remains the Eligible Individual’s responsibility and that the Company and/or its Affiliate or Subsidiary (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant and vesting of the RSUs, the receipt of cash or any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate the Eligible Individual’s liability for Tax-Related Items.

(c) In the event that the Company, Subsidiary or Affiliate is required to withhold any Tax-Related Items as a result of the award, vesting or exercise of the RSUs, or the receipt of cash or any dividends or dividend equivalents, the Eligible Individual shall pay or make adequate arrangements satisfactory to the Company, Subsidiary or Affiliate to satisfy all withholding and payment on account of obligations of the Company, Subsidiary and/or Affiliate. The obligations of the Company under this Agreement shall be conditioned on compliance by the Eligible Individual with this Section 7. In this regard, the Eligible Individual authorizes the Company and/or its Subsidiary or Affiliate to withhold all applicable Tax-Related Items legally payable by the Eligible Individual from his or her wages or other cash compensation paid to the Eligible Individual by the Company and/or its Subsidiary or Affiliate. The Company may, in its sole discretion and pursuant to such provisions as it may specify from time to time, withhold in Shares the amount of Shares necessary to satisfy the minimum withholding amount or arrange for the sale of such number of Shares as is necessary to pay any Tax-Related Items. In connection herewith, the Eligible Individual (i) authorizes, empowers and directs the Company and the Plan Administrator (or such brokerage firm as is contracted to manage the Company’s employee equity award program, the “Broker”) to sell, at the market price and on the Exercise Date or as soon thereafter as is practicable, the number of Shares sufficient to pay the Tax-Related Items, and (ii) agrees to indemnify and hold harmless the Broker and the Company from and against all losses, liabilities, damages, claims and expenses, including reasonable attorneys’ fees and court costs, arising out of carrying out such actions. Finally, the Eligible Individual will pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Eligible Individual’s participation in the Plan or the Eligible Individual’s award that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares issuable upon the vesting of the award if the Eligible Individual fails to comply with his or her obligations in connection with the Tax-Related Items as described in this Section.”

(d) In particular, the Eligible Individual understands and acknowledges that all income to which the Eligible Individual is entitled under this Agreement is pre-tax and the Company or its Subsidiaries or Affiliates has the right to withhold and pay on behalf of the Eligible Individual any individual income tax in connection with such income in accordance with applicable law. In the

event the Company or its Subsidiaries or Affiliates is not required under applicable law to serve as the withholding agent to withhold and pay on behalf of the Eligible Individual such individual income tax, the Eligible Individual shall have sole responsibility to make such payment, in which case the Eligible Individual shall provide, as requested by the Company or its Subsidiaries or Affiliates from time to time, relevant tax receipts to certify full and prompt payment. The Eligible Individual agrees to indemnify the Company and/or its Subsidiaries or Affiliates for any liability which may arise as a result of his or her failure to pay any and all taxes associated with any income derived pursuant to the Awards.

8. Other Restrictions

(a) The Awards shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the Award shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

(b) The Eligible Individual acknowledges that the Eligible Individual is subject to the Company's policies regarding compliance with securities laws, including but not limited to its Insider Trading Policy (as in effect from time to time and any successor policies), and, pursuant to these policies, if the Eligible Individual is on the Company's insider list, the Eligible Individual shall be required to obtain pre-clearance from the Company's General Counsel prior to purchasing or selling any of the Company's securities, including any shares issued upon vesting of the RSUs, and may be prohibited from selling such shares other than during an open trading window. The Eligible Individual further acknowledges that, in its discretion, the Company may prohibit the Eligible Individual from selling such shares even during an open trading window if the Company has concerns over the potential for insider trading.

9. Nature of Award

In accepting the Award, the Eligible Individual acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if Awards have been made repeatedly in the past;

(c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;

(d) the Eligible Individual's participation in the Plan will not create a right to further employment with the Company, its Affiliate or Subsidiary and shall not interfere with the ability of the Company to terminate the Eligible Individual's employment relationship at any time with or without Cause;

(e) the Eligible Individual is voluntarily participating in the Plan;

(f) the Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company, Subsidiary or Affiliate, and such Award is outside the scope of the Eligible Individual's employment contract, if any;

(g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service Awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, Subsidiary or Affiliate;

(h) in the event that the Eligible Individual is not an employee of the Company, Subsidiary or Affiliate, the Award will not be interpreted to form an employment contract or relationship with the Company; and

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award resulting from Termination of the Eligible Individual's employment by the Company, Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Eligible Individual irrevocably releases the Company, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Eligible Individual will be deemed irrevocably to have waived his or her entitlement to pursue such claim.

10. No Advice Regarding Grant.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Eligible Individual's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Eligible Individual is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Eligible Individual's participation in the Plan, receipt of the Award and/or disposition of the Award before taking any action related to the Plan or the Award.

11. Notices

Any notices, communications or changes to this Agreement shall be communicated (either directly by the Company or indirectly through any of its Subsidiaries, Affiliates or the Plan Administrator) to the Eligible Individual electronically via email (or otherwise in writing).

12. Effect of Agreement; Severability

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

13. Laws Applicable to Construction; Consent to Jurisdiction

(a) The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the RSUs are subject to the terms and conditions of the Plan, which are hereby incorporated by reference.

(b) Any and all disputes arising under, as a result of or out of this Agreement, including without limitation any issues involving the construction, enforcement or interpretation of any of the provisions of this Agreement, the Plan or the Plan Prospectus, shall be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

14. Conflicts; Interpretation and Correction of Errors

(a) In the event of any (i) conflict between the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, or (ii) ambiguity in the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, the Plan shall control.

(b) The Committee shall have the power to interpret the Plan, this Agreement, the Grant Details, any information posted on the system of the Plan Administrator and/or the books and records of the Company, and to adopt such rules for the administration, interpretation and application of the Plan and the Award as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any RSUs have vested). All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Eligible Individual, the Company and all other interested parties. The Committee shall not be personally responsible for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement. The Committee shall, in their absolute discretion, determine when any conditions have been fulfilled.

(c) In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to the Eligible Individual pursuant to the Plan, the Company, acting through the executive compensation and benefits team, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document.

15. Data Privacy

(a) The Eligible Individual understands that the Company, Subsidiary, Affiliate and/or Plan Administrator may hold certain personal information about Eligible Individual, including, but not limited to, the Eligible Individual's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Eligible Individual's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The Eligible

Individual hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her Data as described in this document by and among, as applicable, the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(b) The Eligible Individual understands that Data will be transferred to the Plan Administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Eligible Individual understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Eligible Individual's country. The Eligible Individual authorizes the Company, its Subsidiary or Affiliate, the Plan Administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(c) The Eligible Individual understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Eligible Individual's local human resources representative. The Eligible Individual understands, however, that refusing or withdrawing his or her consent may affect the Eligible Individual's ability to participate in the Plan. For more information on the consequences of the Eligible Individual's refusal to consent or withdrawal of consent, the Eligible Individual understands that he or she may contact his or her local human resources representative.

16. Amendment

The Company may modify, amend or waive the terms of the Award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of the Eligible Individual without his or her consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

17. Choice of Language

The Eligible Individual has received this Agreement and any other related communications and consents to having received these documents solely in English. If, however, the Eligible Individual receives this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version in any way, the English version will control.

18. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to the Award and participation in the Plan or future Awards that may be awarded under the Plan by electronic means or to request the Eligible Individual's consent to participate in the Plan by

electronic means. The Eligible Individual hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

By electronically accepting this Agreement and participating in the Plan, the Eligible Individual agrees to be bound by the terms and conditions of the Plan and this Agreement, including the Grant Details and Appendix. If Eligible Individual has not electronically accepted this Agreement on the Plan Administrator's website within six months of the Grant Date, then this Award shall automatically be deemed accepted and Eligible Individual shall be bound by the terms and conditions in the Plan, this Agreement, including the Grant Details and Appendix.

19. Currency Exchange Risk

The Eligible Individual agrees and acknowledges that that Eligible Individual shall bear any and all risks associated with the exchange or fluctuation of currency associated with the Award, including without limitation the settlement of the Award and/or sale of the Shares (the "Currency Risk"). Eligible Individual waives and releases the Company, its Subsidiaries and Affiliates and the Plan Administrator from any potential claims arising out of the Currency Risk. Eligible Individual acknowledges and agrees that Eligible Individual shall with any and all exchange control requirements applicable to the Award and the sale of the Shares and any resulting funds including, without limitation, reporting or repatriation requirements.

20. Appendix

Notwithstanding any provisions in this Agreement to the contrary, the RSUs shall be subject to any special terms and conditions set forth in the Appendix to the Agreement. Moreover, if Eligible Individual relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to Eligible Individual to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Eligible Individual's relocation). The Appendix constitutes a part of this Agreement and is incorporated by reference as fully as though set forth herein.

21. No Public Offer

The grant of RSUs is not intended to be a public offering of securities in the Eligible Individual's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of RSUs is not subject to the supervision of the local securities authorities.

22. Imposition of Other Requirements

The Company reserves the right to impose other requirements on the Eligible Individual's participation in the Plan, on the Award of RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with

local law or facilitate the administration of the Plan, and to require the Eligible Individual to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**APPENDIX
ADDITIONAL TERMS AND CONDITIONS OF THE TRIPADVISOR, INC.
RSU AGREEMENT
(INTERNATIONAL)**

Terms and Conditions

This Appendix includes special terms and conditions applicable to Eligible Individuals residing in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Unless otherwise provided below, capitalized terms used but not defined herein shall have the meaning assigned to them in the Plan and/or the Agreement.

Notifications

This Appendix also includes country-specific information of which Eligible Individual should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Eligible Individual does not rely on the information noted herein as the only source of information relating to the consequences of Eligible Individual's participation in the Plan because the information may be out of date at the time that Eligible Individual vests in Share Awards or sells Shares acquired under the Plan.

In addition, the information is general in nature and may not apply to Eligible Individual's particular situation, and the Company is not in a position to assure Eligible Individual of any particular result. Accordingly, Eligible Individual is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, please note that if Eligible Individual is a citizen or resident of a country other than the country in which he or she is currently working, or transfers employment after grant, the information contained in this Appendix may not be applicable to Eligible Individual.

European Union ("EU")/ European Economic Area ("EEA") Data Privacy

The following replaces Section 15 of the Agreement:

In order to offer participation in the Plan, it is necessary for the Company to collect and process certain information about Eligible Individual. Further detail about this is set out below.

Eligible Individual's participation in the Plan is voluntary. Eligible Individual may withdraw from the Plan at any time. Withdrawal from the Plan will not affect Eligible Individual's salary as an employee or his or her employment; Eligible Individual would merely forfeit the opportunities and benefits associated with the Plan.

If Eligible Individual withdraws from the Plan, the Company will cease to use Eligible Individual's information for the purpose of the Plan (subject to the data retention requirements set out below).

Data Collection and Usage. The Company collects personal information about Eligible Individual for purposes of administration of the Plan, including: name, home address, telephone number and email address, date of birth, social insurance number, passport or other identification number, salary, citizenship, nationality, job title, any equity, shares of stock or directorships held in the Company and its Affiliates, details of all RSUs or any other entitlement to equity granted, canceled, vested, unvested or outstanding in Eligible Individual's favor, which the Company receives from Eligible Individual or the Employer ("Eligible Individual Data").

The Company will process and use Eligible Individual Data for the purposes of allocating stock and implementing, administering and managing the Plan. The Company's legal basis for the processing of Eligible Individual's Data is based on contractual necessity for the performance of the Plan.

Stock Plan Administration Service Providers. The Company currently uses Fidelity and its affiliated companies ("Fidelity") as its service provider for the Plan. The Company shares your Eligible Individual Data with Fidelity for the purposes of implementing, administering and managing the Plan. Fidelity is based in the United States. In the future, the Company may select a different service provider and share Eligible Individual Data with another company that serves in a similar manner. The Company's service provider(s) will open an account for Eligible Individual to receive and trade stock. Eligible Individual may be asked to agree to separate terms and data processing practices with the service provider(s), which is a condition to his or her participation in the Plan.

International Data Transfers. The Company and its service provider(s), including Fidelity, are based in the United States, which means that it will be necessary for Eligible Individual Data to be transferred to, and processed in, the US. Eligible Individual should note that his or her country may have enacted data privacy laws that are different from the United States and which may offer different levels of protection. The legal basis for the transfer of Eligible Individual Data is based on contractual necessity for the performance of the Plan.

Data Retention. The Company will use Eligible Individual Data only as long as is necessary to implement, administer and manage his or her participation in the Plan or as may be required by the Company in order to comply with legal or regulatory obligations, including under tax and securities laws (which will generally be no more than 7 years after the Eligible Individual ceases participating in the Plan).

Data Subject Rights. Eligible Individual has a number of rights under data privacy laws in his or her country. Depending on where Eligible Individual is based, his or her rights may include: (a) the right of access to the Eligible Individual's personal data held by the Company, (b) the right of rectification of incorrect data, (c) the right to erasure of data, (d) the right to restriction of processing, and (e) the right to data portability.

If you have any questions about any aspect of the Plan or these terms, please contact privacy@tripadvisor.com.

Argentina

Exchange Control Notice. Argentine currency exchange restrictions and reporting requirements may apply to the RSUs and any Shares acquired under the Plan; the relevant laws

and regulations are subject to frequent change. Eligible Individual should consult his or her personal legal advisor to ensure compliance with the applicable requirements.

Foreign Asset/Account Reporting Notice. If Eligible Individual holds Shares as of December 31 of any year, he or she is required to report the holding of the Shares on his or her personal tax return for the relevant year.

Australia

Notwithstanding any other provision of this Agreement, (a) the RSUs may not be settled in cash; and (b) the vesting of RSUs may be accelerated by the Plan Administrator only upon the death or total permanent disablement of Eligible Individual, and to the extent permitted by applicable law.

An Eligible Individual will cease to be an Eligible Individual for the purposes of the Plan and this Agreement if he or she is no longer an “Eligible Individual” as defined in the Plan, or Eligible Individual is no longer employed by any of the following: (a) Eligible Individual’s employer in the employment in respect of which Eligible Individual acquired the RSUs; (b) a holding company (within the meaning of the *Corporations Act 2001* (Cth)) of Eligible Individual’s employer in the employment in respect of which Eligible Individual acquired the RSUs; (c) a subsidiary (within the meaning of the *Income Tax Assessment Act 1997* (Cth)) of Eligible Individual’s employer in the employment in respect of which Eligible Individual acquired the RSUs; or (d) a subsidiary (within the meaning of the *Income Tax Assessment Act 1997* (Cth)) of a holding company (within the meaning of the *Corporations Act 2001* (Cth)) of Eligible Individual’s employer in the employment in respect of which Eligible Individual acquired the RSUs.

Austria

There are no country-specific provisions.

Belgium

The Eligible Individual is required to report any securities (*e.g.*, Shares) or bank accounts opened and maintained outside Belgium on his or her annual tax return.

Brazil

Nature of Grant. In accepting the grant of the RSUs, Eligible Individual agrees that he or she is making an investment decision, the Shares will be issued to Eligible Individual only if the vesting conditions are met and any necessary services are rendered by Eligible Individual over the vesting period, and the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to Eligible Individual.

Compliance with the Law. In accepting the grant of the RSUs, the Eligible Individual acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable tax associated with the RSUs, the sale of the Shares acquired under the Plan and the receipt of any cash dividends paid on such Shares.

Labor Law Acknowledgment. The Eligible Individual agrees, for all legal purposes, (i) the benefits provided under the Agreement and the Plan are the result of commercial transactions unrelated to the Eligible Individual's employment; (ii) the Agreement and the Plan are not a part of the terms and conditions of the Employee's employment; and (iii) the income from the RSUs, if any, is not part of the Employee's remuneration from employment.

Exchange Control Information. If Eligible Individual is a resident or domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Assets and rights that must be reported include Shares.

Canada

Settlement of RSUs. Notwithstanding any discretion or anything to the contrary in the Plan, the grant of the RSUs does not provide any right for Eligible Individual to receive a cash payment and the Awards will be settled in Shares only.

Taxes, Fees and Withholding. This provision supplements Section 7 of the Agreement. Any share withholding by the Company is subject to the consent of the Eligible Individual at the time of vesting.

Authorization to Release and Transfer Necessary Personal Information. This provision supplements Section 15 of the Agreement:

Eligible Individual hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Eligible Individual further authorizes the Company and its Affiliates and the Committee, which administers the Plan, to disclose and discuss the Plan with their advisors. Eligible Individual further authorizes the Company and any Affiliate to record such information and to keep such information in Eligible Individual's employee file.

Chile

Labor Law Acknowledgement. The RSUs and the Shares underlying the RSUs, and the income and value of same, shall not be considered as part of your remuneration for purposes of determining the calculation base of future indemnities, whether statutory or contractual, for years of service (severance) or in lieu of prior notice, pursuant to Article 172 of the Chilean Labor Code. **Securities Law Information.** This grant of Restricted Stock constitutes a private offering of securities in Chile effective as of the Grant Date. This offer of Restricted Stock is made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance ("SVS"). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given that the RSUs are not registered in Chile, TripAdvisor is not required to provide public information about the RSUs or the Shares in Chile. Unless the RSUs and/or the Shares are registered with the SVS, a public offering of such securities cannot be made in Chile.

Exchange Control Information. You are not required to repatriate any funds you receive with respect to the RSUs (e.g., any proceeds from the sale of any Shares issued upon vesting of the

RSUs) to Chile. However, if you decide to repatriate such funds, you acknowledge that you will be required to effect such repatriation through the Formal Exchange Market (i.e., a commercial bank or registered foreign exchange office) if the amount of the funds repatriated exceeds US\$10,000. Further, if the value of your aggregate investments held outside Chile exceeds US\$5,000,000 (including Shares and any other cash proceeds acquired under the Plan) at any time in a calendar year, you must report the status of such investments to the Central Bank of Chile. You will also be required to provide certain information to the Chilean Internal Revenue Service (“CIRS”) regarding the results of investments held abroad and the taxes you have paid abroad (if you will be seeking a credit against Chilean income tax owed). This information must be submitted on certain electronic sworn statements before March 19 or June 30 of each year, depending on the assets or taxes being reported. The statements may be found at the CIRS website at www.sii.cl. You may be ineligible to receive certain foreign tax credits if you fail to meet the applicable reporting requirements. Exchange control and tax reporting requirements in Chile are subject to change, and you should consult with your personal legal and tax advisor regarding any reporting obligations that you may have in connection with the Restricted Stock.

China

Foreign Exchange Control Laws. The following provisions shall govern the Eligible Individual’s participation in the Program if the Eligible Individual is a national of the People’s Republic of China (“China”) resident in mainland China, or if determined to be necessary or appropriate by the Company in its sole discretion:

The Eligible Individual agrees to hold the Shares received upon settlement of the RSUs with the Company’s designated broker. Upon a Termination, the Eligible Individual shall be required to sell all Shares issued pursuant to the RSUs within 90 days (or such shorter period as may be required by the State Administration of Foreign Exchange) of the Termination date and repatriate the sales proceeds to China in the manner designated by the Company. For purposes of the foregoing, the Company shall establish procedures for effectuating the forced sale of the Shares (including procedures whereby the Company may issue sell instructions on behalf of the Eligible Individual), and the Eligible Individual hereby agrees to comply with such procedures and take any and all actions as the Company determines, in its sole discretion, are necessary or advisable for purposes of complying with local laws, rules and regulations in China.

The Eligible Individual understands and agrees that the repatriation of sales proceeds may need to be effected through a special exchange control account established by the Company or its Subsidiaries, and the Eligible Individual hereby consents and agrees that sales proceeds from the sale of Shares acquired under the Program may be transferred to such account by the Company on the Eligible Individual’s behalf prior to being delivered to the Eligible Individual. The sales proceeds may be paid to the Eligible Individual in U.S. dollars or local currency at the Company’s discretion. If the sales proceeds are paid to the Eligible Individual in U.S. dollars, the Eligible Individual understands that the Eligible Individual will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the sales proceeds are paid to the Eligible Individual in local currency, the Eligible Individual acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the dividends and proceeds to local currency due to exchange control restrictions. The Eligible Individual agrees to bear any currency fluctuation risk

between the time the Shares are sold and the net proceeds are converted into local currency and distributed to the Eligible Individual. The Eligible Individual further agrees to comply with any other requirements that may be imposed by the Company or its Subsidiaries in China in the future in order to facilitate compliance with exchange control requirements in China. The Eligible Individual agrees to be subject to these restrictions even after Termination.

Neither the Company nor any of its Subsidiaries shall be liable for any costs, fees, lost interest or dividends or other losses the Eligible Individual may incur or suffer resulting from the enforcement of the terms of this Addendum or otherwise from the Company's operation and enforcement of the Program, the Agreement and the Units in accordance with Chinese law including, without limitation, any applicable State Administration of Foreign Exchange rules, regulations and requirements.

Columbia

Nature of Grant. This provision supplements the Agreement: Eligible Individual acknowledges that pursuant to Article 128 of the Colombian Labor Code, the Plan and related benefits do not constitute a component of "salary" for any legal purpose.

Exchange Control Notice. Prior approval from a government authority is not required to purchase and hold foreign securities or to receive an equity award. However, if the value of foreign investments, including the value of any equity awards, equals or exceeds US \$500,000 (as of December 31 of the applicable year), such investments must be registered with the Central Bank (*Banco de la República*). When the foreign investment is liquidated, the proceeds do not have to be repatriated to Colombia. However, if the investment was registered with the Central Bank, Eligible Individual must cancel the registration no later than March 31 of the year following the year of the liquidation or Eligible Individual will be subject to fines.

Foreign Asset / Account Reporting Notice: Eligible Individual must file an annual informative return with the Colombian Tax Office detailing any assets held abroad. If the individual value of any of these assets exceeds a certain threshold, Eligible Individual must describe each asset and indicate the jurisdiction in which it is located, its nature and its value.

Denmark

Employer Statement: Eligible Individual acknowledges that he or she has received the attached Employer Statement, translated into Danish, which sets forth additional terms of the RSUs as required by the Danish Stock Option Act, to the extent that the Danish Stock Option Act applies to the RSUs.

Foreign Asset / Account Reporting Notice: Danish residents must submit certain forms to the Danish tax authorities: Erklæring V must be completed in connection with the deposit of any securities (including Shares acquired under the Plan) into a bank or brokerage account outside of Denmark and Erklæring K must be completed to report the existence of any account outside of Denmark in which Shares or cash will be held. These forms are available at the website of the Danish Tax Authorities.

SPECIAL NOTICE FOR EMPLOYEES IN DENMARK
EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the “Stock Option Act”), you are entitled to receive the following information regarding the restricted stock units granted to you by TripAdvisor, Inc. (the “Company”) under the TripAdvisor, Inc. 2018 Stock and Annual Incentive Plan (the “Plan”) in a written statement.

This statement contains information applicable to your participation in the Plan, as required under the Stock Option Act, while the other terms and conditions of your restricted stock units (“RSUs”) are described in detail in the Plan and the Restricted Stock Unit Agreement (the “Agreement”), both of which have been made available to you. Capitalized terms used but not defined herein shall have the same meanings given to them in the Plan or the Agreement, as applicable.

Section 1 of the Stock Option Act provides that the Stock Option Act only applies to employees. Employees are defined in section 2 of the Stock Option Act as persons who receive remuneration for their personal services in an employment relationship. Persons, including managers, who are not regarded as employees under the Stock Option Act, will not be subject to the Stock Option Act. If you are not an employee within the meaning of the Stock Option Act, the Company therefore has no obligation to issue an employer information statement to you and you will not be able to rely on this statement for legal purposes, since only the terms and conditions set out in the Plan apply.

1. Date of grant

The date of grant of your RSUs is the date that the Board or Committee that approved a grant for you determined it would be effective, which is set forth in the Notice.

2. Terms or conditions for RSU grant

The grant of RSUs under the Plan is made at the sole discretion of the Company. Employees, Non-Employee Directors and Consultants of the Company and its Affiliates, are eligible to receive grants under the Plan. The Board has broad discretion to determine who will receive RSUs and to set the terms and conditions of the RSUs. The Company may decide, in its sole discretion, not to make any grants of RSUs to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future grants of RSUs.

3. Vesting date or period

The RSUs will vest over a period of time (as set forth in the Agreement), subject to your continued employment through the applicable vesting date and other conditions set forth in the Plan and Agreement, and subject to Section 5 of this statement.

4. Exercise Price

No exercise price is payable upon the conversion of your RSUs into Shares in accordance with the vesting and settlement schedule described in the Agreement.

5. Your rights upon termination of employment

The treatment of your RSUs upon termination of employment will be determined under Sections 4 and 5 of the Stock Option Act unless the terms contained in the Plan and the Agreement are more favorable to you than Sections 4 and 5 of the Stock Option Act. If the terms contained in the Plan and the Agreement are more favorable to you, then such terms will govern the treatment of your RSUs upon termination of employment.

6. **Financial aspects of participating in the Plan**

The grant of RSUs has no immediate financial consequences for you. The value of the RSUs is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary. Shares of stock are financial instruments and investing in stock will always have financial risk. The future value of Company shares is unknown and cannot be predicted with certainty.

European Union Countries

Securities Law Notice. This offer is being made to Eligible Individuals as part of an employee incentive program in order to provide an additional incentive and to encourage employee share ownership and to increase employee's interest in the success of the Company. The shares which are the subject of these rights are existing shares of Common Stock of the Company. More information in relation to the Company, including the share price can be found at the following web address: <http://ir.tripadvisor.com/investor-relations>. The obligation to publish a prospectus does not apply under Article 1(4)(i) of the EU Prospectus Regulation.

Finland

There are no country-specific provisions.

Germany

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In case of payments in connection with the sale of Shares acquired under the Plan or the receipt of any cash dividends, the report must be filed electronically by the 5th day of the month following the month in which the payment was received. The form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English.

Hong Kong

Securities Law Notice. The Award and Shares issued upon vesting (if any) do not constitute a public offering of securities under Hong Kong law and are available only to Eligible Individuals of the Company, its Affiliates and Subsidiaries. The Agreement, including this Appendix, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The Award is intended only for the personal use of each Eligible Individual of the Company, its Affiliates or its Subsidiaries and may not be distributed to any other person. If Eligible Individual is in any doubt about any of the contents of

the Agreement, including this Appendix, or the Plan, Eligible Individual should obtain independent professional advice.

Vesting of Stock Awards and Sale of Shares. In the event the Eligible Individual's Awards vest and Shares are issued to the Eligible Individual within six months of the date of grant, the Eligible Individual agrees that he or she will not dispose of any of such Shares prior to the six-month anniversary of the date of grant.

Nature of the Plan. The Company specifically intends that the Plan will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Scheme Ordinance ("ORSO"). To the extent that any court, tribunal or legal/regulatory body in Hong Kong determines that the Plan constitutes an occupational retirement scheme for the purpose of ORSO, the grant of RSUs shall be null and void.

Iceland

This offer is being made to employees as part of an employee incentive programme in order to provide an additional incentive and to encourage employee share ownership and to increase your interest in the success of TripAdvisor, Inc., its Subsidiaries and Affiliates. The company offering these rights is TripAdvisor, Inc. The shares which are the subject of these rights are existing shares of Common Stock of TripAdvisor, Inc. More information in relation to TripAdvisor, Inc., including the share price can be found at the following web address: <http://ir.tripadvisor.com/investor-relations>.

India

Tax Information. The amount subject to tax at vesting may be dependent upon a valuation of Shares from a Merchant Banker in India. The Company has no responsibility or obligation to obtain the most favorable valuation possible nor obtain valuations more frequently than required under Indian tax law.

Exchange Control Obligations. Eligible Individual understands that he or she must repatriate any proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares to India in accordance with local foreign exchange rules and regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee's failure to comply with applicable laws.

Ireland

Director Notification Obligation. Directors, shadow directors and secretaries of the Company's Irish Affiliates are subject to certain notification requirements under the Irish Companies Act. Directors, shadow directors and secretaries must notify the Irish Affiliates in writing of their interest in the Company (*e.g.*, RSUs, Shares, etc.) and the number and class of shares or rights to which the interest relates within five days of the acquisition or disposal of shares or within five days of becoming aware of the event giving rise to the notification. This disclosure requirement also applies to any rights or shares acquired by the director's spouse or children (under the age of 18).

Italy

Data Privacy. This provision replaces in its entirety the “Data Privacy” section of the Award Agreement:

Data Privacy. The Eligible Individual understands that the Employer and/or the Company may hold certain personal information about the Eligible Individual, including, but not limited to, the Eligible Individual’s name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Shares held and the details of any RSUs or any other entitlement to Stock awarded, cancelled, exercised, vested, unvested or outstanding (the “Data”) for the purpose of implementing, administering and managing the Eligible Individual’s participation in the Plan. The Eligible Individual is aware that providing the Company with the Eligible Individual’s Data is necessary for the performance of the Award Agreement and that the Eligible Individual’s refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect the Eligible Individual’s ability to participate in the Plan.

The Controller of personal Data processing is TripAdvisor, Inc., 400 1st Avenue, Needham, MA 02494, U.S.A., and, pursuant to D.lgs 196/2003, its representative in Italy is TripAdvisor Italy, S.r.l., with its registered offices at Corso Garibaldi, n 86 6th Floor, 20121 Milan MI

Italy. The Eligible Individual understands that Data may be transferred to the Company or its Affiliates, or to any third parties assisting with the implementation, administration and management of the Plan, including any transfer required to Fidelity Stock Plan Services, LLC or such other stock plan service provider as may be selected by the Company, or any other third party with whom cash from the sale of Shares acquired under the Plan may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union, and the recipients’ country (e.g., the United States) may have different data privacy laws and protections from the Eligible Individual’s country. The processing activity, including the transfer of the Eligible Individual’s Data abroad, outside of the European Union, as herein specified and pursuant to applicable laws and regulations, does not require the Eligible Individual’s consent thereto as the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. The Eligible Individual understands that Data processing relating to the purposes above specified shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to D.lgs. 196/2003.

The Eligible Individual understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage the Eligible Individual’s participation in the Plan. The Eligible Individual understands that pursuant to art.7 of D.lgs 196/2003, the Eligible Individual has the right, including but not limited to, access, delete, update, request the rectification of the Eligible Individual’s Data and cease, for legitimate reasons, Data processing.

Furthermore, the Eligible Individual is aware that the Eligible Individual's Data will not be used for direct marketing purposes. In addition, Data provided can be reviewed and questions or complaints can be addressed by contacting the Eligible Individuals local human representative.

Grant Terms Acknowledgment. By accepting the RSUs, the Eligible Individual acknowledges that the Eligible Individual has received a copy of the Plan and the Award Agreement, including this Appendix, in their entirety and fully understands and accepts all the provisions of the Plan and the Award Agreement. The Eligible Individual further acknowledges having read and specifically approves the following sections of the Award Agreement: Vesting, Issuance of Stock, Termination of Employment, Tax Withholding, Nature of Grant, Governing Law and Venue and Imposition of Other Requirements, and the Data Privacy section in this Appendix.

Foreign Asset/Account Reporting Information. If the Eligible Individual holds investments abroad or foreign financial assets (*e.g.*, cash, Shares, RSUs) that may generate income taxable in Italy, The Eligible Individual is required to report them on his or her annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to the Eligible Individual if the Eligible Individual is a beneficial owner of the investments, even if the Eligible Individual does not directly hold investments abroad or foreign assets.

Foreign Asset Tax. The value of the financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (*e.g.*, Shares) assessed at the end of the calendar year.

Japan

Foreign Asset/Account Reporting Information. The Eligible Individual will be required to report details of any assets held outside of Japan as of December 31 (including Shares acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. The Eligible Individual should consult with his or her personal tax advisor as to whether the reporting obligation applies to the Eligible Individual and whether the Eligible Individual will be required to report details of his or her outstanding RSUs, as well as Shares, in the report.

Republic of Korea

Securities Law Notice. If an Eligible Individual is employed in the Republic of Korea then, notwithstanding anything set forth in the Plan documents, your RSUs are granted by the Company, not your employer.

Foreign Asset/Account Reporting Notice. Eligible Individual must declare all of his or her foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authorities and file a report with respect to such accounts if the value of such accounts

exceeds KRW 1 billion (or an equivalent amount in foreign currency) on any month-end date during the year.

Mexico

Labor Law Policy and Acknowledgment. By accepting the RSUs, Eligible Individual expressly recognizes that TripAdvisor, Inc., with registered offices at 400 1st Avenue, Needham, MA 02494 U.S.A., is solely responsible for the administration of the Plan and that Eligible Individual's participation in the Plan and acquisition of Shares do not constitute an employment relationship between Eligible Individual and the Company since Eligible Individual is participating in the Plan on a wholly commercial basis and Eligible Individual's sole Employer is [TripAdvisor Mexico entity or employer] ("TripAdvisor -Mexico"). Based on the foregoing, Eligible Individual expressly recognizes that the Plan and the benefits that Eligible Individual may derive from his or her participation in the Plan do not establish any rights between Eligible Individual and TripAdvisor-Mexico, and do not form part of the employment conditions and/or benefits provided by TripAdvisor-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of Eligible Individual's employment.

Eligible Individual further understands that his or her participation in the Plan is a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue Eligible Individual's participation at any time without any liability to Eligible Individual.

Finally, Eligible Individual hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and Eligible Individual therefore grants a full and broad release to the Company, its Affiliates, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Plan Document Acknowledgment. By accepting the RSUs, Eligible Individual acknowledges that he or she has received a copy of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement. In addition, by accepting the RSUs, Eligible Individual acknowledges that he or she has read and specifically and expressly approves the terms and conditions of the Agreement ("Nature of Award"), in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) neither the Company, the Employer nor any Affiliate is responsible for any decrease in the value of the Shares underlying the RSUs.

Netherlands

There are no country-specific provisions.

Norway

Securities Law Notice. This offer is being made to Eligible Individuals as part of an employee incentive program in order to provide an additional incentive and to encourage employee share ownership and to increase employee's interest in the success of the Company. The shares which are the subject of these rights are existing shares of Common Stock of the Company. More information in relation to the Company, including the share price can be found at the following web address: <http://ir.tripadvisor.com/investor-relations>. The obligation to publish a prospectus does not apply under Article 7-1 and Article 7-6 of the Norwegian Securities Trading Act (which implement Article 1(4)(i) of the EU Prospectus Regulation).

Portugal

Language Consent. The Eligible Individual hereby express declares that he or she has full knowledge of the English language and has read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Consentimento linguístico. *Pela presente, O indivíduo elegível por este meio expressa declara que ele ou ela tem pleno conhecimento da língua inglesa e tem lido, compreendido e plenamente aceito e acordado com os termos e condições estabelecidos no plano e no acordo.*

Exchange Control Notification. If the Eligible Individual holds Shares issued upon settlement of the RSUs, the acquisition of Shares would be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on Eligible Individual's behalf. If the Shares are not deposited with a commercial bank or financial intermediary in Portugal, the Eligible Individual is responsible for submitting the report to the Banco de Portugal.

Singapore

Securities Law Notice. The grant of this Award is made in reliance on section 273(1)(f) of the Securities and Futures Act (Cap. 289) ("SFA") for which it is exempt from the prospectus and registration requirements under the SFA.

Director Notification Obligation. If Eligible Individual is a director, associate director or shadow director (i.e., a non-director who has sufficient control so that the directors act in accordance with the directions and instructions of this individual) of the Company's local entity in Singapore, he or she is subject to notification requirements under the Singapore Companies Act. Some of these notification requirements will be triggered by Eligible Individual's participation in the Plan. Specifically, Eligible Individual is required to notify the local Singapore company when he or she acquires or disposes an interest in the Company, including when Eligible Individual receives Shares upon vesting of this Award and when Eligible Individual sells these Shares. The notification must be in writing and must be made within two days of acquiring or disposing of any interest in the Company (or within two days of initially becoming a director, associate director or shadow director of the Company's local entity in Singapore). If Eligible Individual is unclear as to whether he or she is a director, associate director or shadow director of the Company's local

entity in Singapore or the form of the notification, he or she should consult with his or her personal legal advisor.

Spain

Nature of Grant. This provision supplements the “Nature of Award” section of the Award Agreement:

In accepting the RSUs, the Eligible Individual consents to participation in the Plan and acknowledges that he or she has received a copy of the Plan.

Further, the Eligible Individual understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant RSUs under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Award will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis. Consequently, the Eligible Individual understands that the Award is granted on the assumption and condition that the RSUs or the Shares acquired upon settlement shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Eligible Individual understands that this Award would not be made to the Eligible Individual but for the assumptions and conditions referred to above; thus, the Eligible Individual acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Award shall be null and void.

The Eligible Individual also understands and agrees that, as a condition of the grant and vesting of the RSUs, the termination of the Eligible Individual’s employment for any reason (including the reasons listed below), the RSUs will cease vesting immediately, effective on the date of the Eligible Individual’s termination of employment. This will be the case, for example, even in the event of a termination of the Eligible Individual’s employment by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985. The Eligible Individual acknowledges that he or she has read and specifically accepts the conditions referred to in the “Termination of Employment” and “Nature of Award” sections of the Award Agreement. “Cause” shall be as defined in the Agreement, regardless of whether the termination is considered a fair termination (i.e. *despido procedente*) under Spanish legislation.

Securities Law Information. The grant of the RSUs and the Shares issued pursuant to the vesting of the RSUs are considered a private placement outside of the scope of Spanish laws on public offerings and issuances of securities.

Exchange Control Information. To participate in the Plan, the Eligible Individual must comply with exchange control regulations in Spain. The acquisition of Shares upon vesting of the RSUs and the sale of Shares must be declared on Form D-6, for statistical purposes, to the *Dirección General de Comercio e Inversiones* (the “DGCI”) of the Ministry of Industry, Tourism and Commerce. Generally, the D-6 form must be filed each January while the shares are owned or to report the sale of Shares.

Whenever receiving foreign currency payments derived from the ownership of Stock (*i.e.*, cash dividends or sale proceeds) exceeding €50,000, the Eligible Individual must inform the financial institution receiving the payment of the basis upon which such payment is made. The Eligible Individual will need to provide the institution with the following information: (i) the Eligible Individual’s name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any further information that may be required.

Foreign Asset/Account Reporting Information. To the extent that the Eligible Individual holds rights or assets (*e.g.*, Shares or cash held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, Shares, cash, etc.) as of December 31 each year, the Eligible Individual will be required to report information on such rights and assets on his or her tax return for such year. After such rights and assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31 following the end of the relevant year. It is the Eligible Individual’s responsibility to comply with these reporting obligations, and the Eligible Individual should consult with his or her personal tax and legal advisors in this regard.

In addition, the Eligible Individual is required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities (including Shares acquired under the Plan) held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

Sweden

There are no country-specific provisions.

Switzerland

Securities Law Information. The Award is considered a private offering in Switzerland and is therefore not subject to registration. Neither this document nor any other materials relating to the RSUs (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available

in Switzerland, or (c) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

United Arab Emirates

Securities Law Notice. The Plan is only being offered to qualified employees and is in the nature of providing equity incentives to employees of the Company's Subsidiary in the United Arab Emirates. The Plan and the Agreement are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Eligible Individual should conduct his or her own due diligence on the RSUs offered pursuant to this Agreement. If Eligible Individual does not understand the contents of the Plan and/or the Agreement, he or she should consult an authorized financial adviser. The Emirates Securities and Commodities Authority and the Dubai Financial Services Authority have no responsibility for reviewing or verifying any documents in connection with the Plan. Further, the Ministry of the Economy and the Dubai Department of Economic Development have not approved the Plan or the Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

United Kingdom

Settlement of Stock Awards. Notwithstanding any discretion or anything to the contrary in the Plan, the grant of the Award does not provide any right for Eligible Individual to receive a cash payment and the Awards will be settled in Shares only.

Tax and National Insurance Contributions Acknowledgment. The following provision supplements Section 7 of the Agreement:

Eligible Individual agrees that if Eligible Individual does not pay or the Employer or the Company does not withhold from Eligible Individual the full amount of Tax-Related Items that Eligible Individual owes in connection with the vesting of the Stock Award and/or the acquisition of Shares pursuant to the vesting of the Stock Award, or the release or assignment of the Stock Award for consideration, or the receipt of any other benefit in connection with the Award (the "*Taxable Event*") within ninety (90) days after the Taxable Event, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by Eligible Individual to the Employer, effective ninety (90) days after the Taxable Event. Eligible Individual agrees that the loan will bear interest at the official rate of HM Revenue and Customs ("*HMRC*") and will be immediately due and repayable by Eligible Individual, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to Eligible Individual by the Employer, by withholding in Shares issued upon vesting of the Award or from the cash proceeds from the sale of such Shares or by demanding cash or a cheque from Eligible Individual. Eligible Individual also authorizes the Company to withhold the transfer of any Shares unless and until the loan is repaid in full.

Notwithstanding the foregoing, if Eligible Individual is an officer or executive director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that Eligible Individual is an officer or executive director and Tax-Related Items are not collected from or paid by Eligible Individual within ninety (90) days of the Taxable Event, the amount of any uncollected Tax-

Related Items may constitute a benefit to Eligible Individual on which additional income tax and National Insurance contributions may be payable. Eligible Individual will be responsible for reporting any income tax and National Insurance contributions due on this additional benefit directly to HMRC under the self-assessment regime.

TRIPADVISOR, INC. RESTRICTED STOCK UNIT AGREEMENT
(French)

THIS RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”), dated as of the Grant Date (as defined herein), between TripAdvisor, Inc., a U.S. Delaware corporation (the “Company”), and the employee, director or consultant of the Company or one of its Subsidiaries or Affiliates designated on the Grant Details (as defined below) (the “Eligible Individual”), describes the terms of an award of restricted stock units qualified for favorable income tax and social security treatment in France as set out in Article 135 of the Macron Law (“Qualified RSUs”) to the Eligible Individual by the Company (the “Award”).

All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the 2018 Stock and Annual Incentive Plan or any subsequent plan adopted by the Company (in either case, the “Plan”) or the French Schedule attached hereto.

1. Award and Vesting of Qualified RSUs

(a) Subject to the terms and conditions of this Agreement, the Plan and the Grant Details, the Company hereby grants Qualified RSUs to the Eligible Individual. Reference is made to the “Grant Details” that can be found on the equity plan website of the current professional selected by the Company to administer the Plan (the “Plan Administrator”), currently located at www.netbenefits.fidelity.com (or any successor equity administration system selected by the Company to manage the Plan from time to time). The Grant Details, which set forth the number of Qualified RSUs granted to the Eligible Individual by the Company, the Grant Date and the vesting schedule of the Qualified RSUs (among other information), are hereby incorporated by reference into, and shall be read as part and parcel of, this Agreement.

(b) Subject to the terms and conditions of this Agreement, the Grant Details and the Plan, the Qualified RSUs shall vest and no longer subject to any restriction (such period during which restrictions apply referred to as the “RSU Restriction Period”) on the dates detailed in the Grant Details.

2. Settlement of Qualified RSUs

As soon as practicable after any Qualified RSUs have vested and are no longer subject to any restrictions (but in no event later than sixty (60) days thereafter), the Company may, in its sole discretion settle the Qualified RSUs in cash or Shares by arranging for the transfer or issue to, or to the order of, the Eligible Individual, of the number of Shares in respect of which the Qualified RSUs have Vested. The Shares issued or transferred shall be recorded in the name of the Eligible Individual in an account controlled by the Company or Broker, or in such other manner as the Company or the empowered corporate body may otherwise determine, to ensure compliance with applicable restrictions provided under French law. Notwithstanding the foregoing, the Company shall be entitled to hold the Shares issuable upon settlement of Qualified RSUs that have vested

until the Company or Plan Administrator has received from the Eligible Individual a duly executed Form W-9 or Form W-8, as applicable, as well as such other documents as may be legally required.

3. Termination of Employment

(a) In the event a Termination of Employment of the Eligible Individual occurs during the RSU Restriction Period for any reason (whether or not in breach of local labor laws), except as otherwise provided in the Plan or any written employment agreement between the Company and the Eligible Individual (an "Employment Arrangement"), the Eligible Individual's right to receive the RSUs under the Plan, if any, will terminate effective as of the date of the Termination of Employment and will not be extended by any notice period mandated under local law (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to local law); furthermore, in the event of a Termination of Employment (whether or not in breach of local labor laws), the Eligible Individual's right to receive the RSUs after such Termination of Employment, if any, will be measured to the date of the Termination of Employment and will not be extended by any notice period mandated under local law, unless otherwise provided in the Plan or an Employment Arrangement. The Eligible Individual shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate the Eligible Individual for the loss of any rights under this Agreement or the Plan.

(b) Notwithstanding the provisions of Section 1 above, in the event the Eligible Individual incurs a Termination of Employment by the Company for Cause, or the Eligible Individual voluntarily incurs a Termination of Employment within two years after any event or circumstance that would have been grounds for a Termination of Employment for Cause, the Eligible Individual's RSUs (whether or not vested) shall be forfeited and cancelled in their entirety upon such Termination of Employment without any consideration being paid therefor and otherwise without any further action of the Company whatsoever. In such event, the Company may cause the Eligible Individual, immediately upon notice from the Company, to either (i) return the Shares issued upon settlement of RSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause or (ii) pay to the Company an amount equal to the aggregate amount, if any, that the Eligible Individual had previously realized in respect of any and all Shares issued upon settlement of RSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause (*i.e.*, the value of the RSUs upon vesting), in each case including any dividend equivalents or other distributions received in respect of any such RSUs.

(c) Notwithstanding anything herein to the contrary, the Eligible Individual and Company acknowledge and agree that in the event of any conflict or inconsistency between the terms of any employment arrangement and the Plan, whichever term is more beneficial to the Eligible Individual between the Plan and the employment arrangement shall prevail. In no event shall Eligible Individual be entitled to the same type of benefits under both the Plan and any employment arrangement for the same event or qualifying termination.

(d) For purpose of this Agreement, employment with the Company shall include employment with the Company's Subsidiaries or Affiliates. The Committee shall have the

exclusive discretion to determine whether there has been any interruption or Termination of Employment, whether there existed Cause or whether there occurred a Change in Control.

4. **French Qualified RSUs**

(a) The following additional terms and conditions are also applicable to Awards of Qualified RSUs granted pursuant to this Agreement and the French Schedule attached hereto.

(b) For purposes of this Agreement, Eligible Individuals are officers or employees of the Company or a company in which the Company owns directly or indirectly at least 10% of the equity or voting rights, who are located in France. Eligible Individuals are selected by their employer and approved by the Company or the empowered corporate body. No Qualified RSU Unit can be granted to an Eligible Individual who:

- (i) holds directly or indirectly, more than ten percent (10%) of the outstanding Shares of the Company; or
- (ii) would, as a result of a grant of a Qualified RSU, hold more than ten percent (10%) of the outstanding Shares of the Company.

Any Eligible Individual who, on the Grant Date of a Qualified RSU, and to the extent required under French law, is employed under the terms and conditions of an employment contract (“*contrat de travail*”) by a French entity or who is a corporate officer of a French entity, shall be eligible to receive, at the discretion of the Company or the empowered corporate body, Qualified RSUs under the Plan as adjusted to meet the requirements of the French *Code de commerce*.

(c) Vesting will take place on the dates outlined in the Grant Details and will be subject to the Plan, the Agreement, this Appendix and the Eligible Individual’s continuous employment. The awards will Vest over a four year period, Vesting 25% each year. Notwithstanding any other rule of the Plan, the Agreement or the Schedule:

- (i) where an Eligible Individual leaves employment for reason of death during the Vesting Period or any Holding Period, his or her personal representatives may require, within six months from the date of death, Vesting of the deceased’s Qualified RSUs (if not already Vested) and the transfer of the underlying Shares (the Shares will be transferred to the personal representatives of the Eligible Individual as soon as practicably possible following their request); and
- (ii) in the event of disability (as defined under the second or third category of Article L.341-4 of the French *Code de la sécurité sociale*), Vesting of the Eligible Individual’s Qualified RSUs may be accelerated at the discretion of the empowered corporate body (and the underlying Shares shall then be transferred to the Eligible Individual as soon as practicably possible).

(d) In relation to the first 25% of the Award which Vests after one year, there will be a Holding Period, so that a minimum two-year period is observed between the Grant Date and the end of the compulsory Holding Period. The Holding Period shall therefore mean the period of at least one year following Vesting during which the Shares cannot be sold or transferred by Eligible Individuals. This Holding Period applies even if the Eligible Individual is no longer an employee or corporate officer of the Company. Shares transferred to Eligible Individuals holding the duties of chairman of the board, general manager, deputy general manager, member of the directory board, or manager (respectively président du conseil d'administration, directeur général, directeur général délégué, membre du directoire or gérant) of the Company or any Affiliate or Subsidiary shall not be sold or transferred before termination of the Eligible Individuals' executive duties. Alternatively, the Company or the empowered corporate body may decide that a fraction of the Shares transferred to Eligible Individuals holding the duties of chairman of the board, general manager, deputy general manager, member of the directory board, or manager (respectively président du conseil d'administration, directeur général, directeur général délégué, membre du directoire or gérant) of the Company Affiliate or Subsidiary will be in a registered form and will not be available for sale or transfer before termination of the Eligible Individuals' executive duties.

(e) The award price of a Qualified RSU cannot exceed 5% of the nominal value of the Share.

5. Non-Transferability of the Qualified RSUs

During the RSU Restriction Period and until the Qualified RSUs are settled as provided herein or on the website of the Plan Administrator, the Qualified RSUs shall not be transferable by the Eligible Individual by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise, except in the event of death or disability (as defined under the second or third category of Article L.341-4 of the French *Code de la sécurité sociale*).

Shares also cannot be sold or transferred during the Closed Period.

6. Rights as a Stockholder

An Eligible Individual shall not be entitled to any dividends (or other distributions) and shall have no right to vote in respect of the Shares subject to Awards of Qualified RSUs under the French Schedule until the Shares have vested. After Vesting and during the Holding Period, the Eligible Individual shall be entitled to the dividends, distributions or other rights attached to his Vested Shares as they arise.

7. Adjustment in the Event of Change in Stock; Change in Control

On the occurrence of one of the events specified under Article L.225-181 of the French *Code de commerce*, the Company or the empowered corporate body may make such adjustments as it considers appropriate to restore the value of the Qualified RSUs. An adjustment made under this rule shall only be permissible to the extent that it is intended to, and that its sole effect is to, restore the value of the Qualified RSUs and it is made in compliance with the rules set out in the French *Code de commerce*.

8. Taxes, Fees and Withholding

(a) The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Eligible Individual in connection with the Qualified RSUs, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

(b) Regardless of any action taken by the Company, its Affiliate or Subsidiary with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Eligible Individual acknowledges that the ultimate liability for all Tax-Related Items legally due by him or her is and remains the Eligible Individual’s responsibility and that the Company and/or its Affiliate or Subsidiary (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant and vesting of the Qualified RSUs, the receipt of cash or any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the Award or any aspect of the Qualified RSUs to reduce or eliminate the Eligible Individual’s liability for Tax-Related Items.

(c) In the event that the Company, Subsidiary or Affiliate is required to withhold any Tax-Related Items as a result of the Award, vesting or exercise of the Qualified RSUs, or the receipt of cash or any dividends or dividend equivalents, the Eligible Individual shall pay or make adequate arrangements satisfactory to the Company, Subsidiary or Affiliate to satisfy all withholding and payment on account of obligations of the Company, Subsidiary and/or Affiliate. The obligations of the Company under this Agreement shall be conditioned on compliance by the Eligible Individual with this Section 8. In this regard, the Eligible Individual authorizes the Company and/or its Subsidiary or Affiliate to withhold all applicable Tax-Related Items legally payable by the Eligible Individual from his or her wages or other cash compensation paid to the Eligible Individual by the Company and/or its Subsidiary or Affiliate. The Company may, in its sole discretion and pursuant to such provisions as it may specify from time to time, withhold in Shares the amount of Shares necessary to satisfy the minimum withholding amount or arrange for the sale of such number of Shares as is necessary to pay any Tax-Related Items. In connection herewith, the Eligible Individual (i) authorizes, empowers and directs the Company and the Plan Administrator (or such brokerage firm as is contracted to manage the Company’s employee equity award program, the ‘Broker’) to sell, at the market price and on the Exercise Date or as soon thereafter as is practicable, the number of Shares sufficient to pay the Tax-Related Items, and (ii) agrees to indemnify and hold harmless the Broker and the Company from and against all losses, liabilities, damages, claims and expenses, including reasonable attorneys’ fees and court costs, arising out of carrying out such actions. Finally, the Eligible Individual will pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Eligible Individual’s participation in the Plan or the Eligible Individual’s Award that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares issuable upon the vesting of the Award if the Eligible Individual fails to comply with his or her obligations in connection with the Tax-Related Items as described in this Section.

(d) In particular, the Eligible Individual understands and acknowledges that all income to which the Eligible Individual is entitled under this Agreement is pre-tax and the Company or its Subsidiaries or Affiliates has the right to withhold and pay on behalf of the Eligible Individual any

individual income tax in connection with such income in accordance with applicable law. In the event the Company or its Subsidiaries or Affiliates is not required under applicable law to serve as the withholding agent to withhold and pay on behalf of the Eligible Individual such individual income tax, the Eligible Individual shall have sole responsibility to make such payment, in which case the Eligible Individual shall provide, as requested by the Company or its Subsidiaries or Affiliates from time to time, relevant tax receipts to certify full and prompt payment. The Eligible Individual agrees to indemnify the Company and/or its Subsidiaries or Affiliates for any liability which may arise as a result of his or her failure to pay any and all taxes associated with any income derived pursuant to the Awards.

- (e) The Eligible Individuals (or beneficiaries, if applicable) are responsible for reporting the receipt of any income under the Plan, however received, to the appropriate tax authorities.

9. Other Restrictions

- (a) The Awards shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the Award shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.
- (b) The Eligible Individual acknowledges that the Eligible Individual is subject to the Company's policies regarding compliance with securities laws, including but not limited to its Insider Trading Policy (as in effect from time to time and any successor policies), and, pursuant to these policies, if the Eligible Individual is on the Company's insider list, the Eligible Individual shall be required to obtain pre-clearance from the Company's General Counsel prior to purchasing or selling any of the Company's securities, including any shares issued upon vesting of the Qualified RSUs, and may be prohibited from selling such shares other than during an open trading window. The Eligible Individual further acknowledges that, in its discretion, the Company may prohibit the Eligible Individual from selling such shares even during an open trading window if the Company has concerns over the potential for insider trading.
- (c) Notwithstanding any other rule of the Plan, this Agreement or the Schedule, the total number of Qualified Restricted Stock Units granted under the Plan or any other plan subject to provisions of Articles L.225-197-1 et seq. of the French *Code de commerce* shall not exceed 10 per cent of the Shares in issue at the Grant Date.

10. Nature of Award

In accepting the Award, the Eligible Individual acknowledges that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

- (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if Awards have been made repeatedly in the past;
- (c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;
- (d) the Eligible Individual's participation in the Plan will not create a right to further employment with the Company, its Affiliate or Subsidiary and shall not interfere with the ability of the Company to terminate the Eligible Individual's employment relationship at any time with or without Cause;
- (e) the Eligible Individual is voluntarily participating in the Plan;
- (f) the Award is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company, Subsidiary or Affiliate, and such Award is outside the scope of the Eligible Individual's employment contract, if any;
- (g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service Awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, Subsidiary or Affiliate;
- (h) in the event that the Eligible Individual is not an employee of the Company, Subsidiary or Affiliate, the Award will not be interpreted to form an employment contract or relationship with the Company; and
- (i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award resulting from Termination of the Eligible Individual's employment by the Company, Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and the Eligible Individual irrevocably releases the Company, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Eligible Individual will be deemed irrevocably to have waived his or her entitlement to pursue such claim.

11. No Advice Regarding Grant.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Eligible Individual's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Eligible Individual is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Eligible Individual's participation in the Plan, receipt of the Award and/or disposition of the Award before taking any action related to the Plan or the Award.

12. Notices

Any notices, communications or changes to this Agreement shall be communicated (either directly by the Company or indirectly through any of its Subsidiaries, Affiliates or the Plan Administrator) to the Eligible Individual electronically via email (or otherwise in writing).

13. Effect of Agreement; Severability

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

14. Laws Applicable to Construction; Consent to Jurisdiction

(a) The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the Qualified RSUs are subject to the terms and conditions of the Plan, which are hereby incorporated by reference.

(b) Any and all disputes arising under, as a result of or out of this Agreement, including without limitation any issues involving the construction, enforcement or interpretation of any of the provisions of this Agreement, the Plan or the Plan Prospectus shall be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

15. Conflicts; Interpretation and Correction of Errors

(a) In the event of any (i) conflict between the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, or (ii) ambiguity in the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, the Plan shall control.

(b) The Committee shall have the power to interpret the Plan, this Agreement, the Grant Details, any information posted on the system of the Plan Administrator and/or the books and records of the Company, and to adopt such rules for the administration, interpretation and application of the Plan and the Award as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Qualified RSUs have vested). All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Eligible Individual, the Company and all other interested parties. The Committee shall not be personally responsible for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement. The Committee shall, in their absolute discretion, determine when any conditions have been fulfilled.

(c) It is intended that the Qualified RSUs shall qualify for the special tax and social security treatment applicable to free shares granted under sections L. 225-197-1 to L.225-197-6 of

the French *Code de commerce* (which came into force after the implementation of the Macron Law on August 7, 2015) and in accordance with the relevant provisions set forth by the French tax and social security laws. The terms of the Award shall be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws, as well as the relevant administrative guidelines and subject to the fulfilment of any legal, tax and reporting obligations, if applicable.

(d) In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to the Eligible Individual pursuant to the Plan, the Company, acting through the executive compensation and benefits team, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document.

16. Data Privacy.

(a) The Eligible Individual understands that the Company, Subsidiary, Affiliate and/or Plan Administrator may hold certain personal information about Eligible Individual, including, but not limited to, the Eligible Individual's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Eligible Individual's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The Eligible Individual hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her Data as described in this document by and among, as applicable, the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(b) The Eligible Individual understands that Data will be transferred to the Plan Administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Eligible Individual understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Eligible Individual's country. The Eligible Individual authorizes the Company, its Subsidiary or Affiliate, the Plan Administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(c) The Eligible Individual understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Eligible Individual's local human resources representative. The Eligible Individual understands, however, that refusing or withdrawing his or her consent may affect the Eligible Individual's ability to participate in the Plan. For more information on the consequences of the Eligible Individual's refusal to consent or withdrawal of consent, the Eligible Individual understands that he or she may contact his or her local human resources representative.

17. Amendment

The Company may modify, amend or waive the terms of the Award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of the Eligible Individual without his or her consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

18. Currency Risk

The Eligible Individual agrees and acknowledges that that Eligible Individual shall bear any and all risks associated with the exchange or fluctuation of currency associated with the Award, including without limitation the settlement of the Award and/or sale of the Shares (the "Currency Risk"). Eligible Individual waives and releases the Company, its Subsidiaries and Affiliates and the Plan Administrator from any potential claims arising out of the Currency Risk. Eligible Individual acknowledges and agrees that Eligible Individual shall with any and all exchange control requirements applicable to the Award and the sale of the Shares and any resulting funds including, without limitation, reporting or repatriation requirements.

19. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to the Award and participation in the Plan or future Awards that may be awarded under the Plan by electronic means or to request the Eligible Individual's consent to participate in the Plan by electronic means. The Eligible Individual hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

By electronically accepting this Agreement and participating in the Plan, the Eligible Individual agrees to be bound by the terms and conditions of the Plan and this Agreement, including the Grant Details and Schedule. If Eligible Individual has not electronically accepted this Agreement on the Plan Administrator's website within six months of the Grant Date, then this Award shall automatically be deemed accepted and Eligible Individual shall be bound by the terms and conditions in the Plan, this Agreement, including the Grant Details and Schedule.

20. Schedule

Notwithstanding any provisions in this Agreement to the contrary, the Qualified RSUs shall be subject to any special terms and conditions set forth in the French Schedule to the Agreement. The Schedule constitutes a part of this Agreement.

21. Choice of Language

The Eligible Individual has received this Agreement and any other related communications and consents to having received these documents solely in English. If, however, the Eligible Individual receives this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version in any way, the

English version will control. If necessary, an Eligible Individual may request translated versions in their mother tongue.

22. No Public Offer

The grant of RSUs is not intended to be a public offering of securities in the Eligible Individual's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of RSUs is not subject to the supervision of the local securities authorities.

23. Imposition of Other Requirements

The Company reserves the right to impose other requirements on the Eligible Individual's participation in the Plan, on the Award of RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require the Eligible Individual to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

ADDITIONAL TERMS AND CONDITIONS OF THE TRIPADVISOR, INC.

RESTRICTED STOCK UNIT AGREEMENT

(FRANCE)

FRENCH SCHEDULE

Terms and Conditions

This French Schedule includes special terms and conditions applicable to Eligible Individuals residing in France. These terms and conditions are in addition to, or if so indicated, in place of, the terms and conditions set forth in the Agreement and the Appendix.

The purpose of this French Schedule is to make certain variations to the terms of the Agreement and the Appendix, in order to satisfy French securities laws, exchange control, corporate law and tax requirements (especially the provisions of L. 225-197-1 et seq. of the French *Code de commerce*) to qualify Awards of Restricted Stock Units for favourable income tax and social security treatment in France as set out in Article 135 of the Macron Law (*loi n° 2015-990 du 6 août 2015 pour la croissance, l'activité et l'égalité des chances économiques*) ("Qualified Restricted Stock Units").

The rules of the Agreement and the Appendix shall apply, subject to the modifications contained in this French Schedule, whenever the Company or the empowered corporate body decides to grant Qualified Restricted Stock Units to Eligible Employees under this French Schedule. This French Schedule shall only apply to Qualified Restricted Stock Units granted as conditional rights to acquire Shares.

If for any reason an Award does not satisfy the requirements of the French tax authorities for favourable income tax and social security treatment (to qualify as a Qualified Restricted Stock Unit), then the Company or the empowered corporate body can take such actions, including changing the Vesting Period and/or the Holding Period (both as defined below) as it considers reasonably necessary to achieve such treatment.

This French Schedule will be approved by the Committee (as the empowered foreign corporate body) on April 14, 2020, as required by the French tax authorities.

Definitions

Unless provided otherwise or unless the context requires otherwise, capitalized terms used but not defined in this French Schedule shall have the meaning assigned to them in the Plan, the Agreement and/or the Appendix.

The terms of a "Restricted Stock Unit" under this French Schedule shall be on similar terms to the equivalent "Restricted Stock Unit" under the Agreement, except to the extent that this French Schedule provides to the contrary.

For the purposes of this French Schedule only, the following additional definitions shall

be used:

(a) “Closed Period” will have the meaning defined in Section L. 225-197-1 of the French *Code de commerce*, being:

- (i) ten quotation days preceding and three quotation days following disclosure to the public of the consolidated financial statements or the annual statements of the Company; or
- (ii) any period during which corporate management of the Company possesses material information which could, if disclosed to the public, significantly impact the quotation of the Shares, until ten quotation days after the day such information is disclosed to the public.

(b) “Grant Date” shall be the date on which the Committee:

- (i) designates the Eligible Individuals; and
- (ii) specifies the terms and conditions of the Qualified Restricted Stock Units, including the number of Shares to be transferred at a future date, the Vesting Period, any Holding Period, any conditions for the delivery of the Shares underlying the Restricted Stock Units, and any conditions for the disposal of the Shares.

(c) “Holding Period” means the period (applicable under Article L. 225-197-1 of the French *Code de commerce*) following the relevant Vesting date of an Award during which the Vested Shares shall either be held by the Eligible Individual or by the Broker subject only to a restriction on sale, transfer or other disposal of such Vested Shares, provided that if the Vested Shares are to be held by the Eligible Individual he shall be required to enter into an agreement (a “Holding Agreement”) with the Company, whereby he agrees not to sell, transfer or otherwise dispose of the Shares prior to the end of the Holding Period.

(d) “Broker” means such person or persons designated by the Company or the empowered corporate body to hold Vested Shares as nominee on behalf of an Eligible Individual during the Holding Period.

(e) “Vesting” in relation to Qualified Restricted Stock Units, means an Eligible Individual becoming entitled to have the Shares transferred to him subject to the Plan, and the terms “Vest” and “Vested” shall be construed accordingly.

(f) “Vesting Period” means the period from the Grant Date to the date of Vesting of an Award, such period lasting at least one year.

Notifications

This Schedule also includes country-specific information of which Eligible Individual should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Eligible Individual does not rely on the information noted herein as the only source of information relating to the consequences of Eligible Individual's participation in the Plan because the information may be out of date at the time that Eligible Individual vests in Share Awards or sells Shares acquired under the Plan.

In addition, the information is general in nature and may not apply to Eligible Individual's particular situation, and the Company is not in a position to assure Eligible Individual of any particular result. Accordingly, Eligible Individual is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, please note that if Eligible Individual is a citizen or resident of a country other than the country in which he or she is currently working, or transfers employment after grant, the information contained in this Schedule may not be applicable to Eligible Individual.

European Union ("EU")/ European Economic Area ("EEA") Data Privacy

The following replaces Section 16 of the Agreement:

In order to offer participation in the Plan, it is necessary for the Company to collect and process certain information about Eligible Individual. Further detail about this is set out below.

Eligible Individual's participation in the Plan is voluntary. Eligible Individual may withdraw from the Plan at any time. Withdrawal from the Plan will not affect Eligible Individual's salary as an employee or his or her employment; Eligible Individual would merely forfeit the opportunities and benefits associated with the Plan.

If Eligible Individual withdraws from the Plan, the Company will cease to use Eligible Individual's information for the purpose of the Plan (subject to the data retention requirements set out below).

Data Collection and Usage. The Company collects personal information about Eligible Individual for purposes of administration of the Plan, including: name, home address, telephone number and email address, date of birth, social insurance number, passport or other identification number, salary, citizenship, nationality, job title, any equity, shares of stock or directorships held in the Company and its Affiliates, details of all RSUs or any other entitlement to equity granted, canceled, vested, unvested or outstanding in Eligible Individual's favor, which the Company receives from Eligible Individual or the Employer ("Eligible Individual Data").

The Company will process and use Eligible Individual Data for the purposes of allocating stock and implementing, administering and managing the Plan. The Company's legal basis for the processing of Eligible Individual's Data is based on contractual necessity for the performance of the Plan.

Stock Plan Administration Service Providers. The Company currently uses Fidelity and its affiliated companies (“Fidelity”) as its service provider for the Plan. The Company shares your Eligible Individual Data with Fidelity for the purposes of implementing, administering and managing the Plan. Fidelity is based in the United States. In the future, the Company may select a different service provider and share Eligible Individual Data with another company that serves in a similar manner. The Company’s service provider(s) will open an account for Eligible Individual to receive and trade stock. Eligible Individual may be asked to agree to separate terms and data processing practices with the service provider(s), which is a condition to his or her participation in the Plan.

International Data Transfers. The Company and its service provider(s), including Fidelity, are based in the United States, which means that it will be necessary for Eligible Individual Data to be transferred to, and processed in, the US. Eligible Individual should note that his or her country may have enacted data privacy laws that are different from the United States and which may offer different levels of protection. The legal basis for the transfer of Eligible Individual Data is based on contractual necessity for the performance of the Plan.

Data Retention. The Company will use Eligible Individual Data only as long as is necessary to implement, administer and manage his or her participation in the Plan or as may be required by the Company in order to comply with legal or regulatory obligations, including under tax and securities laws (which will generally be no more than 7 years after the Eligible Individual ceases participating in the Plan).

Data Subject Rights. Eligible Individual has a number of rights under data privacy laws in his or her country. Depending on where Eligible Individual is based, his or her rights may include: (a) the right of access to the Eligible Individual’s personal data held by the Company, (b) the right of rectification of incorrect data, (c) the right to erasure of data, (d) the right to restriction of processing, and (e) the right to data portability.

If you have any questions about any aspect of the Plan or these terms, please contact privacy@tripadvisor.com.

Taxation of Award. This Award is intended to be French tax-qualified and is subject to the special terms and conditions set forth in the French Schedule to this Schedule.”

Exchange Control Information. Eligible Individual may hold Shares acquired under the Plan outside of France provided he or she declares all foreign accounts, whether open, current, or closed, in his or her income tax return. Furthermore, Eligible Individual must declare to the customs and excise authorities any cash or bearer securities he or she imports or exports without the use of a financial institution when the value of the cash or securities is equal to or exceeds €10,000 (for 2011).

**TRIPADVISOR, INC. MARKET-BASED RESTRICTED STOCK UNIT AGREEMENT
(TSR - Based)**

THIS MARKET-BASED RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”), dated as of the grant date specified on the Grant Details referenced below (the “Grant Date”), between TripAdvisor, Inc., a Delaware corporation (the “Company”), and the employee, director or consultant of the Company or one of its Subsidiaries or Affiliates designated on the Grant Details (as defined below) (the “Eligible Individual”), describes the terms of an award of market-based restricted stock units (“MSUs”) to the Eligible Individual by the Company (the “Award”).

All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the Company’s 2018 Stock and Annual Incentive Plan or any subsequent plan adopted by the Company (in either case, the “Plan”).

1. Award and Vesting of MSUs

- (a) Subject to the terms and conditions of this Agreement and the Plan and the Grant Details, the Company hereby grants MSUs to the Eligible Individual in the target amount set forth in the Grant Details (“Target MSUs”), assuming target performance, and up to a maximum of 200% of the Target MSUs, with the actual number of MSUs earned to be based on actual performance as more specifically described below. Reference is made to the “Grant Details” that can be found on the equity plan website of the current professional selected by the Company to administer the Plan (the “Plan Administrator”), currently located at www.netbenefits.fidelity.com (or any successor equity administration system selected by the Company to manage the Plan from time to time). The Grant Details, which sets forth the target number of MSUs granted to the Eligible Individual by the Company, the Grant Date and the vesting schedule of the MSUs (among other information), are hereby incorporated by reference into, and shall be read as part and parcel of, this Agreement.
- (b) The amount of MSUs earned under this Award will be based on the Company’s TSR (as defined below) performance over the period commencing January 1, 2020 through December 31, 2022 (the “Performance Period”) relative to the TSR performance of the Nasdaq Composite Total Return Index (the “Index”) over the Performance Period. The amount of MSUs earned under this Award shall be determined based on the calculation of the applicable percentile ranking of the Company relative to the Index in accordance with Schedule I attached hereto and the terms provided in this Agreement.
- (c) For purposes of this Agreement, “TSR” means the change in fair market value over the specified period of time, expressed as a percentage, of an initial investment in specified common stock, including the effect of any dividends actually paid as if the dividends were reinvested in the stock of the Company or the Index, as the case may be, and proportionately adjusted for stock splits, reorganizations or similar transactions occurring during the Performance Period, as provided herein or as determined utilizing such methodology as the Committee, or its

delegate, shall have approved. Notwithstanding the foregoing, the Committee, or its delegate, shall have the discretion to make appropriate and equitable adjustments of the TSR of any company (including the Company) whose shares trade ex-dividend as of December 31, 2022. The TSR shall be based on the trailing 30-trading day average closing stock prices of the Company and the Index measured as of (and including the 30th day) the first and last trading days of the Performance Period.

2. Settlement of MSUs

As soon as practicable after any MSUs have vested and are no longer subject to the Performance Period (but in no event later than sixty (60) days thereafter), such MSUs shall be settled. Subject to Section 8 (pertaining to the withholding of taxes), for each MSU settled pursuant to this Section 2, the Company may, in its sole discretion, settle in cash, or settle in Shares by causing to be issued one Share and causing to be delivered to the Eligible Individual one or more unlegended, freely-transferable stock certificates in respect of such Shares issued upon settlement of the vested MSUs.

3. Non-Transferability of the MSUs

During the Performance Period and until as the MSUs are settled as provided herein or on the website of the Plan Administrator, the MSUs shall not be transferable by the Eligible Individual by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

4. Rights as a Stockholder

Except as otherwise specifically provided in this Agreement, during the Performance Period the Eligible Individual shall not be entitled to any rights of a stockholder with respect to the MSUs. Notwithstanding the foregoing, if the Company declares and pays dividends on the Common Stock during the Performance Period, the Eligible Individual will be credited with additional amounts for each MSU equal to the dividend that would have been paid with respect to such MSU if it had been an actual share of Common Stock, which amount shall remain subject to restrictions (and as determined by the Committee may be reinvested in MSU or may be held in kind as restricted property) and shall vest concurrently with the vesting of the MSU upon which such dividend equivalent amounts were paid. Notwithstanding the foregoing, dividends and distributions other than regular cash dividends, if any, may result in an adjustment pursuant to Section 5 below, rather than under this Section 4.

5. Adjustment in the Event of Change in Stock; Change in Control

(a) In the event of (i) a stock dividend, stock split, reverse stock split, share combination or recapitalization or similar event affecting the capital structure of the Company (each, a “Share Change”), or (ii) a merger, consolidation, acquisition of property or shares, separation, spinoff, reorganization, stock rights offering, liquidation, Disaffiliation, payment of cash dividends other than an ordinary dividend or similar event affecting the Company or any of its Subsidiaries (each, a “Corporate Transaction”), the Committee or the Board may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to the number of MSUs and the number and kind of shares of Common Stock underlying the MSUs.

(b) In the case of Corporate Transactions, such adjustments may include, without limitation (i) the cancellation of MSUs in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such MSUs, as determined by the Committee or the Board in its sole discretion, (ii) the substitution of other property (including, without limitation, cash or other securities of the Company and securities of entities other than the Company) for the shares of Common Stock underlying the MSUs and (iii) in connection with any Disaffiliation, arranging for the assumption of the MSUs, or the replacement of the MSUs with new Awards based on other property or other securities (including, without limitation, other securities of the Company and securities of entities other than the Company), by the affected Subsidiary or Affiliate or by the entity that controls such Subsidiary or Affiliate following such Disaffiliation (as well as any corresponding adjustments to any MSUs that remain based upon securities of the Company).

(c) In the event of a Change in Control before the end of the Performance Period, upon consummation of the closing of the Change in Control, then:

- (i) The Performance Period shall end on the closing date of the Change in Control (for purposes of this section, the “Adjusted Performance Period”) for purposes of determining TSR for the Company and the Index and the number of MSUs that shall be earned for purposes of Section 1 of this Agreement (“Earned MSUs”);
- (ii) The Earned MSUs that would have vested through the date of the Change in Control, assuming daily pro rata vesting over the Performance Period (determined based on the numerator being the number of days during the period commencing as of the first day of the Performance Period through the date of such Change in Control, and the denominator being the number of days during the Performance Period), shall accelerate and vest and those MSUs shall settle as of the date of the Change in Control;
- (iii) Any remaining Earned MSUs (i.e. the positive difference, if any, between Earned MSUs calculated pursuant to Section 5(c)(i) above and those for which vesting was accelerated pursuant to Section 5(c)(ii) above) shall vest and no longer be subject to any restriction on a pro rata basis on each anniversary, as the case may be, of December 31st that follows the last date of the Adjusted Performance Period through December 31, 2022.

(d) The determination of the Committee regarding any such adjustment will be final and conclusive and need not be the same for all Participants.

(e) In the event of a Termination of Employment during the two-year period following a Change in Control, the provisions of Section 10(b) of the Plan shall apply; provided, that the Committee in its discretion may provide for earlier accelerated vesting.

6. Adjustment in the Event of a Termination of Employment without Cause or Resignation for Good Reason

(a) In the event of a Termination of Employment without Cause or resignation for Good Reason, before the end of the Performance Period, in each case, not in connection with a Change in Control, then:

- (i) The Performance Period shall end on the date of the Termination of Employment (for purposes of this section, the “Adjusted Performance Period”) for purposes of determining TSR for the Company and the Index and the number of MSUs that shall be earned for purposes of Section 1 of this Agreement (“Earned MSUs”);
- (ii) The Earned MSUs that would have vested through the one-year anniversary of the date of the Termination of Employment, assuming daily pro rata vesting over this period (determined based on the numerator being the number of days the Participant is employed by, or providing services to, the Company, its Subsidiaries or Affiliates, and the denominator being the number of days during the Performance Period), shall accelerate and vest and those MSUs shall settle as of the date of the Termination of Employment;
- (iii) Any MSUs for which acceleration did not vest (i.e. the positive difference, if any, between Target MSUs and MSUs for which vesting accelerated pursuant to Section 6(a)(ii) above) shall expire.

(b) The determination of the Committee regarding any such adjustment will be final and conclusive and need not be the same for all Participants.

7. Recovery in the Event of a Financial Restatement; Claw-back Policy

Notwithstanding the provisions of Section 1 above, in the event that the Eligible Individual incurs a Termination of Employment by the Company or any Subsidiary or Affiliate for Cause, or the Eligible Individual voluntarily incurs a Termination of Employment within two years after any event or circumstance that would have been grounds for a Termination of Employment for Cause, the Eligible Individual’s MSUs (whether or not vested) shall be forfeited and canceled in their entirety upon such Termination of Employment without any consideration being paid therefor and otherwise without any further action of the Company whatsoever. In such event, the Company may cause the Eligible Individual, immediately upon notice from the Company, to either (i) return the Shares issued upon settlement of MSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause or (ii) pay to the Company an amount equal to the aggregate amount, if any, that the Eligible Individual had previously realized in respect of any and all Shares issued upon settlement of MSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause (i.e., the value of the MSUs

upon vesting), in each case including any dividend equivalents or other distributions received in respect of any such MSUs.

8. Taxes, Fees and Withholding

- (a) The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Eligible Individual in connection with the MSUs, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.
- (b) Regardless of any action the Company, its Affiliate or Subsidiary takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Eligible Individual acknowledges that the ultimate liability for all Tax-Related Items legally due by the Eligible Individual is and remains the Eligible Individual’s responsibility and that the Company and/or its Affiliate or Subsidiary (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant and vesting of the MSUs, the receipt of cash or any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the Award or any aspect of the MSUs to reduce or eliminate the Eligible Individual’s liability for Tax-Related Items.
- (c) In the event that the Company, Subsidiary or Affiliate is required to withhold any Tax-Related Items as a result of the award or vesting of the MSUs, or the receipt of cash or any dividends or dividend equivalents, the Eligible Individual shall pay or make adequate arrangements satisfactory to the Company, Subsidiary or Affiliate to satisfy all withholding and payment on account of obligations of the Company, Subsidiary and/or Affiliate. The obligations of the Company under this Agreement shall be conditioned on compliance by the Eligible Individual with this Section 8. In this regard, the Eligible Individual authorizes the Company and/or its Subsidiary or Affiliate to withhold all applicable Tax-Related Items legally payable by the Eligible Individual from his or her wages or other cash compensation paid to the Eligible Individual by the Company and/or its Subsidiary or Affiliate. The Company may, in its sole discretion and pursuant to such provisions as it may specify from time to time, withhold in Shares the amount of Shares necessary to satisfy the minimum withholding amount or arrange for the sale of such number of Shares as is necessary to pay any Tax-Related Items. In connection herewith, the Eligible Individual (i) authorizes, empowers and directs the Company and the Plan Administrator (or such brokerage firm as is contracted to manage the Company’s employee equity award program, the “Broker”) to sell, at the market price and on the Exercise Date or as soon thereafter as is practicable, the number of Shares sufficient to pay the Tax-Related Items, and (ii) agrees to indemnify and hold harmless the Broker and the Company from and against all losses, liabilities, damages, claims and expenses, including reasonable attorneys’ fees and court costs, arising out of carrying out such actions. Finally, the Eligible Individual will pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Eligible Individual’s participation in the Plan or the Eligible Individual’s Award that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares underlying the Award if the Eligible Individual fails to comply with his or her obligations in connection with the Tax-Related Items as described in this Section.

- (d) In particular, the Eligible Individual understands and acknowledges that all income to which the Eligible Individual is entitled under this Agreement is pre-tax and the Company or its Subsidiaries or Affiliates has the right to withhold and pay on behalf of the Eligible Individual any individual income tax in connection with such income in accordance with applicable law. In the event the Company or its Subsidiaries or Affiliates is not required under applicable law to serve as the withholding agent to withhold and pay on behalf of the Eligible Individual such individual income tax, the Eligible Individual shall have sole responsibility to make such payment, in which case the Eligible Individual shall provide, as requested by the Company or its Subsidiaries or Affiliates from time to time, relevant tax receipts to certify full and prompt payment. The Eligible Individual agrees to indemnify the Company and/or its Subsidiaries or Affiliates for any liability which may arise as a result of his or her failure to pay any and all taxes associated with any income derived pursuant to the Awards.

9. Other Restrictions

- (a) The Award shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the Award shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.
- (b) The Eligible Individual acknowledges that the Eligible Individual is subject to the Company's policies regarding compliance with securities laws, including but not limited to its Insider Trading Policy (as in effect from time to time and any successor policies), and, pursuant to these policies, if the Eligible Individual is on the Company's insider list, the Eligible Individual shall be required to obtain pre-clearance from the Company's General Counsel prior to purchasing or selling any of the Company's securities, including any shares issued upon vesting of the MSUs, and may be prohibited from selling such shares other than during an open trading window. The Eligible Individual further acknowledges that, in its discretion, the Company may prohibit the Eligible Individual from selling such shares even during an open trading window if the Company has concerns over the potential for insider trading.

10. Nature of Award

In accepting the Award, the Eligible Individual acknowledges that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;
- (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past;
- (c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;

(d) the Eligible Individual's participation in the Plan will not create a right to further employment with the Company, its Subsidiary or Affiliate and shall not interfere with the ability of the Company to terminate the Eligible Individual's employment relationship at any time with or without Cause;

(e) the Eligible Individual is voluntarily participating in the Plan;

(f) the Award is an extraordinary item that does not constitute regular compensation of any kind for services of any kind rendered to the Company, Subsidiary, or Affiliate;

(g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, Subsidiary or Affiliate;

(h) in the event that the Eligible Individual is not an employee of the Company, a Subsidiary or an Affiliate, the Award will not be interpreted to form an employment contract or relationship with the Company; and

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award resulting from Termination of the Eligible Individual's Employment by the Company, Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws; provided, however, such termination is consistent with the terms of Award and the Employment Agreement) and the Eligible Individual irrevocably releases the Company, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, the Eligible Individual will be deemed irrevocably to have waived his or her entitlement to pursue such claim.

11. No Advice Regarding Grant.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Eligible Individual's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Eligible Individual is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Eligible Individual's participation in the Plan, receipt of the Award and/or disposition of the Award before taking any action related to the Plan or the Award.

12. Notices

Any notices, communications or changes to this Agreement shall be communicated (either directly by the Company or indirectly through any of its Subsidiaries, Affiliates or the Plan Administrator) to the Eligible Individual electronically via email (or otherwise in writing) promptly after such change becomes effective.

13. Effect of Agreement; Severability

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

14. Laws Applicable to Construction; Consent to Jurisdiction

(a) The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the MSUs are subject to the terms and conditions of the Plan, which are hereby incorporated by reference.

(b) Notwithstanding anything herein to the contrary, the Eligible Individual and Company acknowledge and agree that in the event of any conflict or inconsistency between the terms of any employment arrangement and the Plan, whichever term is more beneficial to the Eligible Individual between the Plan and the employment arrangement shall prevail. In no event shall Eligible Individual be entitled to the same type of benefits under both the Plan and any employment arrangement for the same event or qualifying termination.

(c) The Committee shall have the exclusive discretion to determine whether there has been any Termination of Employment and/or whether there existed Cause.

(d) Any and all disputes arising under, as a result of or out of this Agreement, including without limitation any issues involving the construction, enforcement or interpretation of any of the provisions of this Agreement, the Plan or the Plan Prospectus, shall be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

15. Conflicts; Interpretation and Correction of Errors

(a) In the event of any (i) conflict between the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, or (ii) ambiguity in the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, the Plan shall control.

(b) The Committee shall have the power to interpret the Plan, this Agreement, the Grant Details, any information posted on the system of the Plan Administrator and/or the books and records of the Company, and to adopt such rules for the administration, interpretation and application of the Plan and the Award as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any MSUs have vested). All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Eligible Individual, the Company and all other interested parties. The Committee shall not be personally responsible for any action, determination

or interpretation made in good faith with respect to the Plan or this Agreement. The Committee shall, in their absolute discretion, determine when any conditions have been fulfilled.

(c) In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to the Eligible Individual pursuant to the Plan, the Company, acting through the executive compensation and benefits team, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document.

16. Data Privacy

(a) The Eligible Individual understands that the Company, Subsidiary, Affiliate and/or Plan Administrator may hold certain personal information about the Eligible Individual, including, but not limited to, the Eligible Individual's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Eligible Individual's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The Eligible Individual hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her Data as described in this document by and among, as applicable, the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(b) The Eligible Individual understands that Data will be transferred to the Plan Administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Eligible Individual understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Eligible Individual's country. The Eligible Individual authorizes the Company, its Subsidiary or Affiliate, the Plan Administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(c) The Eligible Individual understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Eligible Individual's local human resources representative. The Eligible Individual understands, however, that refusing or withdrawing his or her consent may affect the Eligible Individual's ability to participate in the Plan. For more information on the consequences of the Eligible Individual's refusal to consent or withdrawal of consent, the Eligible Individual understands that he or she may contact his or her local human resources representative.

17. Amendment

(a) This Agreement, including Appendix A, constitutes the entire agreement between the parties with respect to the MSU award, and supersedes all prior agreements, understandings, and communications between the parties, whether oral or written, relating to the same subject matter.

(b) The Company may modify, amend or waive the terms of the MSU award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of the Eligible Individual without his or her consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

(c) This Award and payments made pursuant to this Agreement and the Plan are intended to qualify for an exemption from, or comply with, the applicable requirements of Section 409A of the Code. If the Company makes a good faith determination that any compensation provided under this Agreement is likely to be subject to the additional tax imposed by Section 409A of the Code, the Company may, to the extent it deems necessary or advisable, modify this Agreement, without the Eligible Individual's consent, to reduce the risk that such additional tax will apply, in a manner designed to preserve the material economic benefits intended to be provided to the Eligible Individual under this Agreement (other than any diminution of such benefit that may be attributable to the time value of money resulting from a delay in the timing of payments hereunder for a period of approximately six months or such longer period as may be required).

18. Choice of Language

The Eligible Individual has received this Agreement and any other related communications and consents to having received these documents solely in English. If, however, the Eligible Individual receives this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version in any way, the English version will control.

19. Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to the Award and participation in the Plan or future Awards that may be awarded under the Plan by electronic means or to request the Eligible Individual's consent to participate in the Plan by electronic means. The Eligible Individual hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

By electronically accepting this Agreement and participating in the Plan, the Eligible Individual agrees to be bound by the terms and conditions of the Plan and this Agreement, including the Grant Details. If Eligible Individual has not electronically accepted this Agreement on the Plan Administrator's website within six months of the Grant Date, then this Award shall

automatically by deemed accepted and Eligible Individual shall be bound by the terms and conditions in the Plan, this Agreement, including the Grant Details.

SCHEDULE I

DETAILS OF RELATIVE RETURN FACTOR AND ILLUSTRATIONS OF RESULTING NUMBER OF EARNED MSUS

TSR Calculation:

Company TSR = $\left(\frac{\text{Average closing stock price* of the Company for the last 30 trading days of Performance Period}}{\text{Average closing stock price* of the Company for the last 30 trading days prior to the commencement of the Performance Period}} - 1 \right)$

Index TSR = $\left(\frac{\text{Average closing stock price* of the Index for the last 30 trading days of Performance Period}}{\text{Average closing stock price* of the Index for the last 30 trading days prior to the commencement of the Performance Period}} - 1 \right)$

* Average closing stock price adjusted to reflect reinvested dividends.

Performance Metric Details:

The following shall apply:

- Formula:

$$100\% + ((\text{Company TSR} - \text{Index TSR}) \times 2) = \text{Payout Factor}$$

- 100% of the Target MSUs are earned when the Company's TSR is equal to Index TSR.
- The number of MSUs earned is increased (or decreased) by 2% of the Target MSUs for every 1% that the Company's TSR exceeds (or trails) the Index TSR.
- Implied payout range / performance requirement:

	Performance v. Index	Payout (% of Target MSUs)
Max	Company TSR = Index TSR + 50%	200%
Target	Company TSR = Index TSR	100%
Threshold	Company TSR = Index TSR - 50%	0%

Illustration 1:

Assumptions

Company:

Average closing stock price for last 30 trading days of Performance Period: \$43.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$37.57

Index:

Average closing stock price for last 30 trading days of Performance Period: \$7,237.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$6,477.77

Computations

Company TSR: $((43.00 / 37.57) - 1)$ 14.5%

Index TSR: $((7,237.00 / 6,477.77) - 1)$ 11.7%

Payout Factor: $100\% + ((14.5\% - 11.7\%) \times 2)$ 105.6%

Earned MSUs: Target MSUs (1,000) multiplied by payout factor: 1,056

Illustration 2:

Assumptions

Company:

Average closing stock price for last 30 trading days of Performance Period: \$60.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$37.57

Index:

Average closing stock price for last 30 trading days of Performance Period: \$6,932.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$6,477.77

Computations

Company TSR: $((60.00 / 37.57) - 1)$ 59.7%

Index TSR: $((6,932.00 / 6,477.77) - 1)$ 7.0%

Payout Factor: $100\% + ((59.7\% - 7\%) \times 2)$ 205.4%

Earned MSUs: Target MSUs (1,000) multiplied by payout factor
(subject to 200% max): 2,000

Illustration 3:

Assumptions

Company:

Average closing stock price for last 30 trading days of Performance Period: \$37.57

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$35.00

Index:

Average closing stock price for last 30 trading days of Performance Period: \$6,477.77

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$6,932.00

Computations

Company TSR: $((37.57 / 35.00) - 1)$ 7.3%

Index TSR: $((6,477.77 / 6,932.00) - 1)$ (6.6%)

Payout Factor: $100\% + ((7.3\% - (6.6\%)) \times 2)$ 127.8%

Earned MSUs: 1,278

Illustration 4:

Assumptions

Company:

Average closing stock price for last 30 trading days of Performance Period: \$35.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$37.57

Index:

Average closing stock price for last 30 trading days of Performance Period: \$6,932.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$6,477.77

Computations

Company TSR: $((35.00 / 37.57) - 1)$ (6.8%)

Index TSR: $((6,932.00 / 6,477.77) - 1)$ 7.0%

Payout Factor: $100\% + (((6.8\%) - 7\%) \times 2)$ 72.4%

Earned MSUs: 724

**TRIPADVISOR, INC. MARKET-BASED RESTRICTED STOCK UNIT AGREEMENT
(TSR - Based)**

THIS MARKET-BASED RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”), dated as of the Grant Date (as defined herein), between TripAdvisor, Inc., a U.S. Delaware corporation (the “Company”), and the employee, director or consultant of the Company or one of its Subsidiaries or Affiliates designated on the Grant Details (as defined below) (the “Eligible Individual”), describes the terms of an award of market-based restricted stock units qualified for favorable income tax and social security treatment in France as set out in Article 135 of the Macron Law (“Qualified MSUs”) to the Eligible Individual by the Company (the “Award”).

All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the Company’s 2018 Stock and Annual Incentive Plan or any subsequent plan adopted by the Company (in either case, the “Plan”) or the French Schedule attached hereto.

1. Award and Vesting of Qualified MSUs

(a) Subject to the terms and conditions of this Agreement, the Plan and the Grant Details, the Company hereby grants Qualified MSUs to the Eligible Individual in the target amount set forth in the Grant Details (“Target MSUs”), assuming target performance, and up to a maximum of 200% of the Target MSUs, with the actual number of Qualified MSUs earned to be based on actual performance as more specifically described below. Reference is made to the “Grant Details” that can be found on the equity plan website of the current professional selected by the Company to administer the Plan (the “Plan Administrator”), currently located at www.netbenefits.fidelity.com (or any successor equity administration system selected by the Company to manage the Plan from time to time). The Grant Details, which sets forth the target number of Qualified MSUs granted to the Eligible Individual by the Company, the Grant Date and the vesting schedule of the Qualified MSUs (among other information), are hereby incorporated by reference into, and shall be read as part and parcel of, this Agreement.

(b) The amount of Qualified MSUs earned under this Award will be based on the Company’s TSR (as defined below) performance over the period commencing January 1, 2020 through December 31, 2022 (the “Performance Period”) relative to the TSR performance of the Nasdaq Composite Total Return Index (the “Index”) over the Performance Period. The amount of Qualified MSUs earned under this Award shall be determined based on the calculation of the applicable percentile ranking of the Company relative to the Index in accordance with Schedule I attached hereto and the terms provided in this Agreement.

(c) For purposes of this Agreement, “TSR” means the change in fair market value over the specified period of time, expressed as a percentage, of an initial investment in specified common stock, including the effect of any dividends actually paid as if the dividends were reinvested in the stock of the Company or the Index, as the case may be, and proportionately adjusted for stock splits, reorganizations or similar transactions occurring during the Performance Period, as provided herein or as determined utilizing such methodology as the Committee, or its delegate, shall have approved. Notwithstanding the foregoing, the Committee, or its delegate, shall

have the discretion to make appropriate and equitable adjustments of the TSR of any company (including the Company) whose shares trade ex-dividend as of December 31, 2022. The TSR shall be based on the trailing 30-trading day average closing stock prices of the Company and the Index measured as of (and including the 30th day) the first and last trading days of the Performance Period.

2. Settlement of Qualified MSUs

As soon as practicable after any Qualified MSUs have vested and are no longer subject to any restrictions (but in no event later than sixty (60) days thereafter), the Company may, in its sole discretion settle in cash and/or Shares by arranging for the transfer or issue to the order of the Eligible Individual, the number of Shares in respect of which the Qualified MSUs have vested. The Shares issued or transferred will be recorded in the name of the Eligible Individual in an account controlled by the Company or Broker, or in such other manner as the Company or the empowered corporate body may otherwise determine to ensure compliance with applicable restrictions provided under French law.

3. French Qualified MSUs

(a) The following additional terms and conditions are also applicable to Awards of Qualified MSUs granted pursuant to this Agreement and the French Schedule attached hereto.

(b) For purposes of this Agreement, Eligible Individuals are officers or employees of the Company or a company in which the Company owns directly or indirectly at least 10% of the equity or voting rights, who are located in France. Eligible Individuals are selected by their employer and approved by the Company or the empowered corporate body. No Qualified MSU Unit can be granted to an Eligible Individual who:

- (i) holds directly or indirectly, more than ten percent (10%) of the outstanding Shares of the Company; or
- (ii) would, as a result of a grant of a Qualified MSU, hold more than ten percent (10%) of the outstanding Shares of the Company.

Any Eligible Individual who, on the Grant Date of a Qualified MSU, and to the extent required under French law, is employed under the terms and conditions of an employment contract (“*contrat de travail*”) by a French entity or who is a corporate officer of a French entity, shall be eligible to receive, at the discretion of the Company or the empowered corporate body, Qualified MSUs under the Plan as adjusted to meet the requirements of the French *Code de commerce*.

(c) Vesting will take place on the dates outlined in the Grant Details and will be subject to the Plan, the Agreement, this Appendix and the Eligible Individual’s continuous employment. The awards will Vest over a four year period, Vesting 25% each year. Notwithstanding any other rule of the Plan, the Agreement or the Schedules:

- (i) where an Eligible Individual leaves employment for reason of death during the Vesting Period or any Holding Period, his or her personal

representatives may require, within six months from the date of death, Vesting of the deceased's Qualified MSUs (if not already Vested) and the transfer of the underlying Shares (the Shares will be transferred to the personal representatives of the Eligible Individual as soon as practicably possible following their request); and

- (ii) in the event of disability (as defined under the second or third category of Article L.341-4 of the French *Code de la sécurité sociale*), Vesting of the Eligible Individual's Qualified MSUs may be accelerated at the discretion of the empowered corporate body (and the underlying Shares shall then be transferred to the Eligible Individual as soon as practicably possible).

(d) With respect to any portion of the Award which Vests after one year, there will be a Holding Period, so that a minimum two-year period is observed between the Grant Date and the end of the compulsory Holding Period. During the Holding Period Shares cannot be sold or transferred by Eligible Individuals. This Holding Period applies even if the Eligible Individual is no longer an employee or corporate officer of the Company. Shares transferred to Eligible Individuals holding the duties of chairman of the board, general manager, deputy general manager, member of the directory board, or manager (respectively président du conseil d'administration, directeur général, directeur général délégué, membre du directoire or gérant) of the Company or any Affiliate or Subsidiary shall not be sold or transferred before termination of the Eligible Individuals' executive duties. Alternatively, the Company or the empowered corporate body may decide that a fraction of the Shares transferred to Eligible Individuals holding the duties of chairman of the board, general manager, deputy general manager, member of the directory board, or manager (respectively président du conseil d'administration, directeur général, directeur général délégué, membre du directoire or gérant) of the Company Affiliate or Subsidiary will be in a registered form and will not be available for sale or transfer before termination of the Eligible Individuals' executive duties.

- (e) The award price of a Qualified MSU cannot exceed 5% of the nominal value of the Share.

4. Non-Transferability of the Qualified MSUs

During the Performance Period and until the Qualified MSUs are settled as provided herein or on the website of the Plan Administrator, the Qualified MSUs shall not be transferable by the Eligible Individual by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise, except in the event of death or disability (as defined under the second or third category of Article L.341-4 of the French *Code de la sécurité sociale*).

Shares also cannot be sold or transferred during the Closed Period.

5. Rights as a Stockholder

An Eligible Individual shall not be entitled to any dividends (or other distributions) and shall have no right to vote in respect of the Shares subject to Awards of Qualified MSUs under the French Schedule until the Shares have vested. After Vesting and during the Holding

Period, the Eligible Individual shall be entitled to the dividends, distributions or other rights attached to his Vested Shares as they arise.

6. Adjustment in the Event of Change in Stock; Change in Control

On the occurrence of one of the events specified under Article L.225-181 of the French *Code de commerce*, the Company or the empowered corporate body may make such adjustments as it considers appropriate to restore the value of the Qualified MSUs. An adjustment made under this rule shall only be permissible to the extent that it is intended to, and that its sole effect is to, restore the value of the Qualified MSUs and it is made in compliance with the rules set out in the French *Code de commerce*.

7. Adjustment in the Event of a Termination of Employment without Cause or Resignation for Good Reason

(a) In the event of a Termination of Employment without Cause or resignation for Good Reason, before the end of the Performance Period, in each case, not in connection with a Change in Control, then:

- (i) The Performance Period shall end on the date of the Termination of Employment (for purposes of this section, the “Adjusted Performance Period”) for purposes of determining TSR for the Company and the Index and the number of Qualified MSUs that shall be earned for purposes of Section 1 of this Agreement (“Earned MSUs”);
- (ii) The Earned MSUs that would have vested through the one-year anniversary of the date of the Termination of Employment, assuming daily pro rata vesting over this period (determined based on the numerator being the number of days the Participant is employed by, or providing services to, the Company, its Subsidiaries or Affiliates, and the denominator being the number of days during the Performance Period), shall accelerate and vest and those Qualified MSUs shall settle as of the date of the Termination of Employment;
- (iii) Any Qualified MSUs for which acceleration did not vest (i.e. the positive difference, if any, between Target MSUs and Qualified MSUs for which vesting accelerated pursuant to Section 7(a) (ii) above) shall expire.

(b) The determination of the Committee regarding any such adjustment will be final and conclusive and need not be the same for all Participants.

8. Recovery in the Event of a Financial Restatement; Claw-back Policy

Notwithstanding the provisions of Section 1 above, in the event that the Eligible Individual incurs a Termination of Employment by the Company or any Subsidiary or Affiliate for Cause, or the Eligible Individual voluntarily incurs a Termination of Employment within two years after any event or circumstance that would have been grounds for a Termination of Employment for Cause,

the Eligible Individual's Qualified MSUs (whether or not vested) shall be forfeited and canceled in their entirety upon such Termination of Employment without any consideration being paid therefor and otherwise without any further action of the Company whatsoever. In such event, the Company may cause the Eligible Individual, immediately upon notice from the Company, to either (i) return the Shares issued upon settlement of Qualified MSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause or (ii) pay to the Company an amount equal to the aggregate amount, if any, that the Eligible Individual had previously realized in respect of any and all Shares issued upon settlement of Qualified MSUs that vested during the two-year period after the events or circumstances giving rise to or constituting grounds for such Termination of Employment for Cause (i.e., the value of the Qualified MSUs upon vesting), in each case including any dividend equivalents or other distributions received in respect of any such Qualified MSUs.

9. Taxes, Fees and Withholding

- (a) The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares received by an Eligible Individual in connection with the Qualified MSUs, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.
- (b) Regardless of any action the Company, its Affiliate or Subsidiary takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Eligible Individual acknowledges that the ultimate liability for all Tax-Related Items legally due by the Eligible Individual is and remains the Eligible Individual's responsibility and that the Company and/or its Affiliate or Subsidiary (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant and vesting of the Qualified MSUs, the receipt of cash or any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the Award or any aspect of the Qualified MSUs to reduce or eliminate the Eligible Individual's liability for Tax-Related Items.
- (c) In the event that the Company, Subsidiary or Affiliate is required to withhold any Tax-Related Items as a result of the Award, vesting or exercise of the Qualified MSUs, or the receipt of cash or any dividends or dividend equivalents, the Eligible Individual shall pay or make adequate arrangements satisfactory to the Company, Subsidiary or Affiliate to satisfy all withholding and payment on account of obligations of the Company, Subsidiary and/or Affiliate. The obligations of the Company under this Agreement shall be conditioned on compliance by the Eligible Individual with this Section 9. In this regard, the Eligible Individual authorizes the Company and/or its Subsidiary or Affiliate to withhold all applicable Tax-Related Items legally payable by the Eligible Individual from his or her wages or other cash compensation paid to the Eligible Individual by the Company and/or its Subsidiary or Affiliate. The Company may, in its sole discretion and pursuant to such provisions as it may specify from time to time, withhold in Shares the amount of Shares necessary to satisfy the minimum withholding amount or arrange for the sale of such number of Shares as is necessary to pay any Tax-Related Items. In connection herewith, the Eligible Individual (i) authorizes, empowers and directs the Company and the Plan Administrator (or such brokerage firm as is contracted to manage the Company's employee equity award program, the 'Broker') to sell, at the market price and on the Exercise Date or as soon

thereafter as is practicable, the number of Shares sufficient to pay the Tax-Related Items, and (ii) agrees to indemnify and hold harmless the Broker and the Company from and against all losses, liabilities, damages, claims and expenses, including reasonable attorneys' fees and court costs, arising out of carrying out such actions. Finally, the Eligible Individual will pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Eligible Individual's participation in the Plan or the Eligible Individual's Award that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares issuable upon the vesting of the Award if the Eligible Individual fails to comply with his or her obligations in connection with the Tax-Related Items as described in this Section.

- (d) In particular, the Eligible Individual understands and acknowledges that all income to which the Eligible Individual is entitled under this Agreement is pre-tax and the Company or its Subsidiaries or Affiliates has the right to withhold and pay on behalf of the Eligible Individual any individual income tax in connection with such income in accordance with applicable law. In the event the Company or its Subsidiaries or Affiliates is not required under applicable law to serve as the withholding agent to withhold and pay on behalf of the Eligible Individual such individual income tax, the Eligible Individual shall have sole responsibility to make such payment, in which case the Eligible Individual shall provide, as requested by the Company or its Subsidiaries or Affiliates from time to time, relevant tax receipts to certify full and prompt payment. The Eligible Individual agrees to indemnify the Company and/or its Subsidiaries or Affiliates for any liability which may arise as a result of his or her failure to pay any and all taxes associated with any income derived pursuant to the Awards.
- (e) The Eligible Individuals (or beneficiaries, if applicable) are responsible for reporting the receipt of any income under the Plan, however received, to the appropriate tax authorities.

10. Other Restrictions

- (a) The Awards shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is required, then in any such event, the Award shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.
- (b) The Eligible Individual acknowledges that the Eligible Individual is subject to the Company's policies regarding compliance with securities laws, including but not limited to its Insider Trading Policy (as in effect from time to time and any successor policies), and, pursuant to these policies, if the Eligible Individual is on the Company's insider list, the Eligible Individual shall be required to obtain pre-clearance from the Company's General Counsel prior to purchasing or selling any of the Company's securities, including any shares issued upon vesting of the Qualified MSUs, and may be prohibited from selling such shares other than during an open trading window. The Eligible Individual further acknowledges that, in its discretion, the Company may prohibit the Eligible Individual from selling such shares even during an open trading window if the Company has concerns over the potential for insider trading.

(c) Notwithstanding any other rule of the Plan, this Agreement or the Schedules, the total number of Qualified Restricted Stock Units granted under the Plan or any other plan subject to provisions of Articles L.225-197-1 et seq. of the French *Code de commerce* shall not exceed 10 per cent of the Shares in issue at the Grant Date.

11. **Nature of Award**

In accepting the Award, the Eligible Individual acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

(b) the Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past;

(c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;

(d) the Eligible Individual's participation in the Plan will not create a right to further employment with the Company, its Affiliated or Subsidiary and shall not interfere with the ability of the Company to terminate the Eligible Individual's employment relationship at any time with or without Cause;

(e) the Eligible Individual is voluntarily participating in the Plan;

(f) the Award is an extraordinary item that does not constitute regular compensation of any kind for services of any kind rendered to the Company, Subsidiary, or Affiliate;

(g) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, Subsidiary or Affiliate;

(h) in the event that the Eligible Individual is not an employee of the Company, a Subsidiary or an Affiliate, the Award will not be interpreted to form an employment contract or relationship with the Company; and

(i) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from termination of the Award or diminution in value of the Award resulting from Termination of the Eligible Individual's Employment by the Company, Subsidiary or Affiliate (for any reason whatsoever and whether or not in breach of local labor laws; provided, however, such termination is consistent with the terms of Award and the Employment Agreement) and the Eligible Individual irrevocably releases the Company, Subsidiary or Affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent

jurisdiction to have arisen, then, by signing this Agreement, the Eligible Individual will be deemed irrevocably to have waived his or her entitlement to pursue such claim.

12. No Advice Regarding Grant.

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Eligible Individual's participation in the Plan, or his or her acquisition or sale of the underlying Shares. The Eligible Individual is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Eligible Individual's participation in the Plan, receipt of the Award and/or disposition of the Award before taking any action related to the Plan or the Award.

13. Notices

Any notices, communications or changes to this Agreement shall be communicated (either directly by the Company or indirectly through any of its Subsidiaries, Affiliates or the Plan Administrator) to the Eligible Individual electronically via email (or otherwise in writing).

14. Effect of Agreement; Severability

Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company. The invalidity or enforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

15. Laws Applicable to Construction; Consent to Jurisdiction

(a) The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware without reference to principles of conflict of laws, as applied to contracts executed in and performed wholly within the State of Delaware. In addition to the terms and conditions set forth in this Agreement, the Qualified MSUs are subject to the terms and conditions of the Plan, which are hereby incorporated by reference.

(b) Notwithstanding anything herein to the contrary, the Eligible Individual and Company acknowledge and agree that in the event of any conflict or inconsistency between the terms of any employment arrangement and the Plan, whichever term is more beneficial to the Eligible Individual between the Plan and the employment arrangement shall prevail. In no event shall Eligible Individual be entitled to the same type of benefits under both the Plan and any employment arrangement for the same event or qualifying termination.

(c) The Committee shall have the exclusive discretion to determine whether there has been any Termination of Employment and/or whether there existed Cause.

(d) Any and all disputes arising under, as a result of or out of this Agreement, including without limitation any issues involving the construction, enforcement or interpretation of any of the provisions of this Agreement, the Plan or the Plan Prospectus, shall be determined and resolved by the Committee or its authorized delegate. Such determination or resolution by the Committee or its authorized delegate will be final, binding and conclusive for all purposes.

16. Conflicts; Interpretation and Correction of Errors

(a) In the event of any (i) conflict between the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, or (ii) ambiguity in the Grant Details, this Agreement, any information posted on the system of the Plan Administrator and/or the books and records of the Company, the Plan shall control.

(b) The Committee shall have the power to interpret the Plan, this Agreement, the Grant Details, any information posted on the system of the Plan Administrator and/or the books and records of the Company, and to adopt such rules for the administration, interpretation and application of the Plan and the Award as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Qualified MSUs have vested). All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Eligible Individual, the Company and all other interested parties. The Committee shall not be personally responsible for any action, determination or interpretation made in good faith with respect to the Plan or this Agreement. The Committee shall, in their absolute discretion, determine when any conditions have been fulfilled.

(c) It is intended that the Qualified MSUs shall qualify for the special tax and social security treatment applicable to free shares granted under sections L. 225-197-1 to L.225-197-6 of the French *Code de commerce* (which came into force after the implementation of the Macron Law on August 7, 2015) and in accordance with the relevant provisions set forth by the French tax and social security laws. The terms of the Award shall be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws, as well as the relevant administrative guidelines and subject to the fulfilment of any legal, tax and reporting obligations, if applicable.

(d) In the event that, due to administrative error, this Agreement does not accurately reflect an Award properly granted to the Eligible Individual pursuant to the Plan, the Company, acting through the executive compensation and benefits team, reserves the right to cancel any erroneous document and, if appropriate, to replace the cancelled document with a corrected document.

17. Data Privacy

(a) The Eligible Individual understands that the Company, Subsidiary, Affiliate and/or Plan Administrator may hold certain personal information about the Eligible Individual, including, but not limited to, the Eligible Individual's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Eligible Individual's favor, for the purpose of implementing, administering and managing the Plan ("Data"). The Eligible Individual hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her Data as described in this document by and among, as applicable, the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(b) The Eligible Individual understands that Data will be transferred to the Plan Administrator, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Eligible Individual understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country may have different data privacy laws and protections than the Eligible Individual's country. The Eligible Individual authorizes the Company, its Subsidiary or Affiliate, the Plan Administrator and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Eligible Individual's participation in the Plan.

(c) The Eligible Individual understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Eligible Individual's local human resources representative. The Eligible Individual understands, however, that refusing or withdrawing his or her consent may affect the Eligible Individual's ability to participate in the Plan. For more information on the consequences of the Eligible Individual's refusal to consent or withdrawal of consent, the Eligible Individual understands that he or she may contact his or her local human resources representative.

18. Amendment

(a) This Agreement, including Appendix A, constitutes the entire agreement between the parties with respect to the Qualified MSU award, and supersedes all prior agreements, understandings, and communications between the parties, whether oral or written, relating to the same subject matter.

(b) The Company may modify, amend or waive the terms of the Qualified MSU award, prospectively or retroactively, but no such modification, amendment or waiver shall impair the rights of the Eligible Individual without his or her consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

19. Currency Exchange Risk

The Eligible Individual agrees and acknowledges that that Eligible Individual shall bear any and all risks associated with the exchange or fluctuation of currency associated with the Award, including without limitation the settlement of the Award and/or sale of the Shares (the "Currency Risk"). Eligible Individual waives and releases the Company, its Subsidiaries and Affiliates and the Plan Administrator from any potential claims arising out of the Currency Risk. Eligible Individual acknowledges and agrees that Eligible Individual shall with any and all exchange control requirements applicable to the Award and the sale of the Shares and any resulting funds including, without limitation, reporting or repatriation requirements.

20. Electronic Delivery

By electronically accepting this Agreement and participating in the Plan, the Eligible Individual agrees to be bound by the terms and conditions of the Plan and this Agreement, including the Grant Details and Schedules. If Eligible Individual has not electronically accepted this Agreement on the Plan Administrator's website within six months of the Grant Date, then this Award shall automatically be deemed accepted and Eligible Individual shall be bound by the terms and conditions in the Plan, this Agreement, including the Grant Details.

21. Schedules

Notwithstanding any provisions in this Agreement to the contrary, the Qualified MSUs shall be subject to any special terms and conditions set forth in the Schedules to the Agreement. The Schedules constitute a part of this Agreement.

22. Choice of Language

The Eligible Individual has received this Agreement and any other related communications and consents to having received these documents solely in English. If, however, the Eligible Individual receives this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version in any way, the English version will control. If necessary, an Eligible Individual may request translated versions in their mother tongue.

23. No Public Offer

The grant of RSUs is not intended to be a public offering of securities in the Eligible Individual's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of RSUs is not subject to the supervision of the local securities authorities.

24. Imposition of Other Requirements

The Company reserves the right to impose other requirements on the Eligible Individual's participation in the Plan, on the Award of RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require the Eligible Individual to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

SCHEDULE I

DETAILS OF RELATIVE RETURN FACTOR

AND

ILLUSTRATIONS OF RESULTING NUMBER OF EARNED MSUS

TSR Calculation:

Company TSR = ((Average closing stock price* of the Company for the last 30 trading days of Performance Period / Average closing stock price* of the Company for the last 30 trading days prior to the commencement of the Performance Period) - 1)

Index TSR = ((Average closing stock price* of the Index for the last 30 trading days of Performance Period / Average closing stock price* of the Index for the last 30 trading days prior to the commencement of the Performance Period) - 1)

* Average closing stock price adjusted to reflect reinvested dividends.

Performance Metric Details:

The following shall apply:

- Formula:

$$100\% + ((\text{Company TSR} - \text{Index TSR}) \times 2) = \text{Payout Factor}$$

- 100% of the Target MSUs are earned when the Company's TSR is equal to Index TSR.
- The number of Qualified MSUs earned is increased (or decreased) by 2% of the Target MSUs for every 1% that the Company's TSR exceeds (or trails) the Index TSR.
- Implied payout range / performance requirement:

	Performance v. Index	Payout (% of Target MSUs)
Max	Company TSR = Index TSR + 50%	200%
Target	Company TSR = Index TSR	100%
Threshold	Company TSR = Index TSR - 50%	0%

Illustration 1:

Assumptions

Company:

Average closing stock price for last 30 trading days of Performance Period: \$43.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$37.57

Index:

Average closing stock price for last 30 trading days of Performance Period: \$7,237.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$6,477.77

Computations

Company TSR: $((43.00 / 37.57) - 1)$ 14.5%

Index TSR: $((7,237.00 / 6,477.77) - 1)$ 11.7%

Payout Factor: $100\% + ((14.5\% - 11.7\%) \times 2)$ 105.6%

Earned MSUs: Target MSUs (1,000) multiplied by payout factor: 1,056

Illustration 2:

Assumptions

Company:

Average closing stock price for last 30 trading days of Performance Period: \$60.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$37.57

Index:

Average closing stock price for last 30 trading days of Performance Period: \$6,932.00

Average closing stock price for last 30 trading days prior to the commencement of the Performance Period: \$6,477.77

Computations

Company TSR: $((60.00 / 37.57) - 1)$ 59.7%

Index TSR: $((6,932.00 / 6,477.77) - 1)$ 7.0%

Payout Factor: $100\% + ((59.7\% - 7\%) \times 2)$ 205.4%

Earned MSUs: Target MSUs (1,000) multiplied by payout factor
(subject to 200% max): 2,000

Illustration 3:

Assumptions

Company:

Average closing stock price for last 30 trading days of Performance Period: \$37.57

Average closing stock price for last 30 trading days prior to the commencement

of the Performance Period:

\$35.00

Index:

Average closing stock price for last 30 trading days of Performance Period: \$6,477.77

Average closing stock price for last 30 trading days prior to the commencement
of the Performance Period: \$6,932.00

Computations

Company TSR: $((37.57 / 35.00) - 1)$ 7.3%

Index TSR: $((6,477.77 / 6,932.00) - 1)$ (6.6%)

Payout Factor: $100\% + ((7.3\% - (6.6\%)) \times 2)$ 127.8%

Earned MSUs: 1,278

Illustration 4:

Assumptions

Company:

Average closing stock price for last 30 trading days of Performance Period: \$35.00

Average closing stock price for last 30 trading days prior to the commencement
of the Performance Period: \$37.57

Index:

Average closing stock price for last 30 trading days of Performance Period: \$6,932.00

Average closing stock price for last 30 trading days prior to the commencement
of the Performance Period: \$6,477.77

Computations

Company TSR: $((35.00 / 37.57) - 1)$ (6.8%)

Index TSR: $((6,932.00 / 6,477.77) - 1)$ 7.0%

Payout Factor: $100\% + (((6.8\%) - 7.0\%) \times 2)$ 72.4%

Earned MSUs: 724

RESTRICTED STOCK UNIT AGREEMENT

(TSR-Based)

(FRANCE)

FRENCH SCHEDULE

Terms and Conditions

This French Schedule includes special terms and conditions applicable to Eligible Individuals residing in France. These terms and conditions are in addition to, or if so indicated, in place of, the terms and conditions set forth in the Agreement and the Appendix.

The purpose of this French Schedule is to make certain variations to the terms of the Agreement and the Appendix, in order to satisfy French securities laws, exchange control, corporate law and tax requirements (especially the provisions of L. 225-197-1 et seq. of the French *Code de commerce*) to qualify Awards of Restricted Stock Units for favourable income tax and social security treatment in France as set out in Article 135 of the Macron Law (*loi n° 2015-990 du 6 août 2015 pour la croissance, l'activité et l'égalité des chances économiques*) ("Qualified Restricted Stock Units").

The rules of the Agreement and the Appendix shall apply, subject to the modifications contained in this French Schedule, whenever the Company or the empowered corporate body decides to grant Qualified Restricted Stock Units to Eligible Employees under this French Schedule. This French Schedule shall only apply to Qualified Restricted Stock Units granted as conditional rights to acquire Shares.

If for any reason an Award does not satisfy the requirements of the French tax authorities for favourable income tax and social security treatment (to qualify as a Qualified Restricted Stock Unit), then the Company or the empowered corporate body can take such actions, including changing the Vesting Period and/or the Holding Period (both as defined below) as it considers reasonably necessary to achieve such treatment.

This French Schedule will be approved by the Committee (as the empowered foreign corporate body) on April 14, 2020, as required by the French tax authorities.

Definitions

Unless provided otherwise or unless the context requires otherwise, capitalized terms used but not defined in this French Schedule shall have the meaning assigned to them in the Plan, the Agreement and/or the Appendix.

The terms of a "Restricted Stock Unit" under this French Schedule shall be on similar terms

to the equivalent “Restricted Stock Unit” under the Agreement, except to the extent that this French Schedule provides to the contrary.

For the purposes of this French Schedule only, the following additional definitions shall be used:

(a) “Closed Period” will have the meaning defined in Section L. 225-197-1 of the French *Code de commerce*, being:

- (i) ten quotation days preceding and three quotation days following disclosure to the public of the consolidated financial statements or the annual statements of the Company; or
- (ii) any period during which corporate management of the Company possesses material information which could, if disclosed to the public, significantly impact the quotation of the Shares, until ten quotation days after the day such information is disclosed to the public.

(b) “Grant Date” shall be the date on which the Committee:

- (i) designates the Eligible Individuals; and
- (ii) specifies the terms and conditions of the Qualified Restricted Stock Units, including the number of Shares to be transferred at a future date, the Vesting Period, any Holding Period, any conditions for the delivery of the Shares underlying the Restricted Stock Units, and any conditions for the disposal of the Shares.

(c) “Holding Period” means the period (applicable under Article L. 225-197-1 of the French *Code de commerce*) following the relevant Vesting date of an Award during which the Vested Shares shall either be held by the Eligible Individual or by the Broker subject only to a restriction on sale, transfer or other disposal of such Vested Shares, provided that if the Vested Shares are to be held by the Eligible Individual he shall be required to enter into an agreement (a “Holding Agreement”) with the Company, whereby he agrees not to sell, transfer or otherwise dispose of the Shares prior to the end of the Holding Period.

(d) “Broker” means such person or persons designated by the Company or the empowered corporate body to hold Vested Shares as nominee on behalf of an Eligible Individual during the Holding Period.

(e) “Vesting” in relation to Qualified Restricted Stock Units, means an Eligible Individual becoming entitled to have the Shares transferred to him subject to the Plan, and the terms “Vest” and “Vested” shall be construed accordingly.

(f) “Vesting Period” means the period from the Grant Date to the date of Vesting of an Award, such period lasting at least one year.

Notifications

This Schedule also includes country-specific information of which Eligible Individual should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Eligible Individual does not rely on the information noted herein as the only source of information relating to the consequences of Eligible Individual's participation in the Plan because the information may be out of date at the time that Eligible Individual vests in Share Awards or sells Shares acquired under the Plan.

In addition, the information is general in nature and may not apply to Eligible Individual's particular situation, and the Company is not in a position to assure Eligible Individual of any particular result. Accordingly, Eligible Individual is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, please note that if Eligible Individual is a citizen or resident of a country other than the country in which he or she is currently working, or transfers employment after grant, the information contained in this Schedule may not be applicable to Eligible Individual.

European Union ("EU")/ European Economic Area ("EEA") Data Privacy

The following replaces Section 17 of the Agreement:

In order to offer participation in the Plan, it is necessary for the Company to collect and process certain information about Eligible Individual. Further detail about this is set out below.

Eligible Individual's participation in the Plan is voluntary. Eligible Individual may withdraw from the Plan at any time. Withdrawal from the Plan will not affect Eligible Individual's salary as an employee or his or her employment; Eligible Individual would merely forfeit the opportunities and benefits associated with the Plan.

If Eligible Individual withdraws from the Plan, the Company will cease to use Eligible Individual's information for the purpose of the Plan (subject to the data retention requirements set out below).

Data Collection and Usage. The Company collects personal information about Eligible Individual for purposes of administration of the Plan, including: name, home address, telephone number and email address, date of birth, social insurance number, passport or other identification number, salary, citizenship, nationality, job title, any equity, shares of stock or directorships held in the Company and its Affiliates, details of all MSUs or any other entitlement to equity granted, canceled, vested, unvested or outstanding in Eligible Individual's favor, which the Company receives from Eligible Individual or the Employer ("Eligible Individual Data").

The Company will process and use Eligible Individual Data for the purposes of allocating stock and implementing, administering and managing the Plan. The Company's legal basis for the

processing of Eligible Individual's Data is based on contractual necessity for the performance of the Plan.

Stock Plan Administration Service Providers. The Company currently uses Fidelity and its affiliated companies ("Fidelity") as its service provider for the Plan. The Company shares your Eligible Individual Data with Fidelity for the purposes of implementing, administering and managing the Plan. Fidelity is based in the United States. In the future, the Company may select a different service provider and share Eligible Individual Data with another company that serves in a similar manner. The Company's service provider(s) will open an account for Eligible Individual to receive and trade stock. Eligible Individual may be asked to agree to separate terms and data processing practices with the service provider(s), which is a condition to his or her participation in the Plan.

International Data Transfers. The Company and its service provider(s), including Fidelity, are based in the United States, which means that it will be necessary for Eligible Individual Data to be transferred to, and processed in, the US. Eligible Individual should note that his or her country may have enacted data privacy laws that are different from the United States and which may offer different levels of protection. The legal basis for the transfer of Eligible Individual Data is based on contractual necessity for the performance of the Plan.

Data Retention. The Company will use Eligible Individual Data only as long as is necessary to implement, administer and manage his or her participation in the Plan or as may be required by the Company in order to comply with legal or regulatory obligations, including under tax and securities laws (which will generally be no more than 7 years after the Eligible Individual ceases participating in the Plan).

Data Subject Rights. Eligible Individual has a number of rights under data privacy laws in his or her country. Depending on where Eligible Individual is based, his or her rights may include: (a) the right of access to the Eligible Individual's personal data held by the Company, (b) the right of rectification of incorrect data, (c) the right to erasure of data, (d) the right to restriction of processing, and (e) the right to data portability.

If you have any questions about any aspect of the Plan or these terms, please contact privacy@tripadvisor.com.

Taxation of Award. This Award is intended to be French tax-qualified and is subject to the special terms and conditions set forth in the French Schedule to this Schedule."

Exchange Control Information. Eligible Individual may hold Shares acquired under the Plan outside of France provided he or she declares all foreign accounts, whether open, current, or closed, in his or her income tax return. Furthermore, Eligible Individual must declare to the customs and excise authorities any cash or bearer securities he or she imports or exports without the use of a financial institution when the value of the cash or securities is equal to or exceeds €10,000 (for 2011).

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT (“Amendment”) is entered into by and between Ernst Teunissen (“Executive”) and Tripadvisor, LLC, a Delaware limited liability company (the “Company”), and is effective as of May 8, 2020 (the “Effective Date”).

WHEREAS, the Company and the Executive previously entered into an Employment Agreement effective as of November 9, 2015, as amended effective as of November 28, 2017 (the “Agreement”), to establish the terms and conditions of the Executive’s employment with the Company.

WHEREAS, the Company and Executive desire to amend the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Executive and the Company have agreed and do hereby agree as follows:

1. The Agreement is hereby amended to extend the term of the Agreement and to replace Section 2A of the Agreement in its entirety with the following:

“2A. TERM OF AGREEMENT. The term (the “Term”) of this Agreement shall commence on the Effective Date and shall continue through May 31, 2022, unless sooner terminated in accordance with the provisions of Section 1 of the Standard Terms and Conditions attached hereto.”

2. The Agreement is hereby amended by amending Section 3A and adding the following:

“(e) TARGET PAYMENT. Subject to the terms and conditions of this Agreement, Executive shall be entitled to receive the Target Payment, the amount of which is to be determined and paid as set forth herein.

(i) The Target Payment shall equal \$7,000,000.00 less the Current Value, determined as of the Calculation Date, whereby:

- a. The Current Value shall equal the sum of (x) the RSU Value plus (y) the Option Value.
- b. The RSU Value shall equal the product of (i) the number of shares of Common Stock in respect of RSUs granted to Executive that have vested during the Target Period multiplied by (ii) the Calculation Date Price, provided that any shares of Common Stock described in clause (i) above that have traded above \$34.10 (the “Threshold Price”) for at least one entire trading day shall be treated, for purposes of this calculation, as being

multipled by the Threshold Price rather than the Calculation Date Price, provided, further, that the Threshold Price shall be adjusted, as appropriate, for any dividends or stock splits in respect of the Common Stock.

- c. The Option Value shall equal the product of (i) the number of Stock Options granted to Executive that vest during the Target Period multiplied by (ii) for each Stock Option, the positive value difference, if any, between (x) the Calculation Date Closing Price and (y) the respective exercise price of such Stock Option.
- d. For the avoidance of doubt, if the Current Value is greater than or equal to \$7,000,000.00, there shall be no Target Payment and no obligation with respect thereto on the part of the Company or Executive.

(ii) For purposes of this Agreement:

- a. "Calculation Date" means the earliest of (i) May 31, 2022, (ii) the date of termination of Executive's employment with the Company, other than a termination for Cause or resignation without Good Reason, and (iii) the date of a Change in Control, as defined in the TripAdvisor, Inc. 2018 Stock and Annual Incentive Plan.
- b. "Calculation Date Price" shall mean (i) in the case of a Calculation Date arising pursuant to clauses (i) or (ii) of the definition thereof, the average per share closing price of the Common Stock, as measured based on the per share closing price of the Common Stock for the ten (10) trading days immediately prior to the Calculation Date and (ii) in the case of a Calculation Date arising pursuant to clause (iii) of the definition thereof, the per share closing price of the Common Stock on the Calculation Date.
- c. "Target Period" means the period commencing on May 1, 2020 and ending on the Calculation Date.
- d. The Target Payment shall be considered a Bonus Award pursuant to the TripAdvisor, Inc. 2018 Stock and Annual Incentive Plan and shall be payable, at the Company's election, in cash, shares of Common Stock or any combination thereof, provided that in the case of a Calculation Date arising pursuant to clause (iii) of the definition thereof, the Bonus Award shall be payable in cash. All cash payments shall be made by the Company within twenty (20) business days following the Calculation Date.
- e. In the event of (i) a stock dividend, stock split, reverse stock split, reorganization, share combination or recapitalization or similar event affecting the capital structure of TripAdvisor, or (ii) a merger, consolidation, acquisition of property or shares, separation, spinoff, stock rights offering, liquidation, disaffiliation, payment of cash dividends other than an ordinary

dividend or similar event affecting TripAdvisor, the Company shall make such substitutions or adjustments to the calculation of the Award as are appropriate and equitable to the Eligible Individual to give full effect to this Agreement as intended on the date it was signed.

- f. Executive shall not be eligible to receive any Target Payment and the Company shall have no obligation pursuant to Section 3A(e) in the event that Executive's employment with the Company is terminated by the Company for Cause or by Executive other than for Good Reason (as defined below).

3. The Agreement is hereby amended by replacing Section 1(d) of the Standard Terms and Conditions to the Employment Agreement in its entirety and replacing it with the following:

“(d) TERMINATION BY THE COMPANY WITHOUT CAUSE OR RESIGNATION BY EXECUTIVE FOR GOOD REASON. Upon termination of Executive's employment prior to the expiration of the Term by the Company without Cause (other than for death or Disability) or by Executive for Good Reason (as defined below), then:

(i) the Company shall continue to pay Executive the Base Salary through the earlier of (x) the end of the Term over the course of the then remaining Term, and (y) 12 months following such termination date (such period, the “Salary Continuation Period” and such payments, the “Cash Severance Payments” in either case) payable in equal biweekly installments and the Company shall pay in cash to Executive (within 10 business days of each applicable monthly period) for each month between the date of termination and the end of the Salary Continuation Period an amount equal to the premiums charged by the Company to maintain COBRA benefits continuation coverage for Executive and Executive's eligible dependents to the extent such coverage is then in place, and Executive shall not be eligible for and hereby renounces any claim to any payment or benefit under the TripAdvisor, Inc. Executive Severance Plan and Summary Plan Description, notwithstanding any provision to the contrary therein;

(ii) the Company shall pay Executive within 30 days of the date of such termination in a lump sum in cash any Accrued Obligations;

(iii) the Company will consider in good faith the payment of an annual bonus on a pro rata basis for the year in which the Termination of Employment occurs, any such payment to be paid (if at all) based on actual performance during the year in which termination has occurred and based on the number of days of employment during such year relative to 365 days (payable in a lump sum at the time such annual bonus would otherwise have been paid), provided that if any such termination occurs after the Compensation Committee has approved an annual cash bonus but prior to the payment thereof, the Company shall pay Executive such approved bonus amount, to be made in the ordinary course with other senior executives of the Company; and

(iv) any then-vested options of Executive to purchase TripAdvisor equity, shall remain exercisable through the date that is 18 months following the date of such termination or, if earlier, through the scheduled expiration date of such options. The expiration of the Term shall not give rise to any payment to Executive or acceleration obligation under this Section 1(d), and shall not entitle Executive to any payment or benefit under the TripAdvisor, Inc. Executive Severance Plan and Summary Plan Description. The payment to Executive of the severance pay or benefits described in Section 1(d) (other than any Accrued Obligations) is contingent upon Executive signing and not revoking a separation and release of the Company and its affiliates in a form substantially similar to that used for senior executives of the Company (the "Release"), and Executive's compliance with the restrictive covenants set forth in Section 2 (other than any non-compliance that is immaterial, does not result in harm to the Company or its affiliates, and, if curable, is cured by Executive promptly after receipt of notice thereof given by the Company). The Release shall be delivered by the Company to the Executive within ten (10) days following Executive's employment termination date and must become effective no later than sixty (60) days following Executive's employment termination date or such earlier date required by the Release (such deadline, the "Release Deadline"). If the Release does not become effective by the Release Deadline, Executive will forfeit any rights to severance. In no event will severance payments or benefits (other than any Accrued Obligations) be paid or provided until the Release becomes effective and irrevocable but in no event shall Executive forfeit Equity Awards that had vested through the date of expiration of the Term other than the Equity Awards for which the vesting was accelerated pursuant to Section 1 of these terms and conditions. Upon the Release becoming effective and irrevocable, any payments delayed from the date Executive terminates employment through the effective date of the Release will be payable in a lump sum without interest as soon as administratively practicable after the Release Deadline and all other amounts will be payable in accordance with the payment schedule applicable to each payment or benefit. In the event the termination occurs at a time during the calendar year where the Release could become effective in the calendar year following the calendar year in which Executive's termination occurs, then any severance payments or benefits that would be considered Deferred Payments (as defined below) will commence to be paid on the first payroll date to occur during the calendar year following the calendar year in which such termination occurs, or, if later, the Release Deadline. Executive acknowledges and agrees that the Company's payment of severance pay and benefits (except Accrued Obligations) constitutes good and valuable consideration for such Release."

4. The Agreement is hereby amended by replacing Section 1(h) of the Standard Terms and Conditions to the Employment Agreement in its entirety and replacing it with the following:

"(h) OTHER BENEFITS. Upon any termination of Executive's employment prior to the expiration of the Term, Executive shall remain entitled to receive any vested benefits or amounts that Executive is otherwise entitled to receive under any plan, policy, practice or

program of, or any other contract or agreement with, the Company in accordance with the terms thereof (other than any such plan, policy, practice or program of the Company that provides benefits in the nature of severance or continuation pay, including the TripAdvisor, Inc. Executive Severance Plan and Summary Plan Description, any payments or benefits pursuant to which the Executive hereby renounces).”

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed and delivered by its duly authorized officer and Executive has executed and delivered this Amendment.

TRIPADVISOR, LLC

By: /s/ Seth J. Kalvert
Seth J. Kalvert,
Manager and Secretary

/s/ Ernst Teunissen
Ernst Teunissen

Certification

I, Stephen Kaufer, Chief Executive Officer of TripAdvisor, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2020 of TripAdvisor, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2020

/s/ STEPHEN KAUFER

Stephen Kaufer

President and Chief Executive Officer

Certification

I, Ernst Teunissen, Chief Financial Officer of TripAdvisor, Inc. certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2020 of TripAdvisor, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2020

/s/ ERNST TEUNISSEN

Ernst Teunissen

Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of TripAdvisor, Inc. (the "Company") for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Kaufer, Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

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

Date: May 8, 2020

/s/ STEPHEN KAUFER

Stephen Kaufer

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report on Form 10-Q of TripAdvisor, Inc. (the "Company") for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ernst Teunissen, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

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

Date: May 8, 2020

/s/ ERNST TEUNISSEN

Ernst Teunissen

Chief Financial Officer