

**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, 2014

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.)

141 Needham Street
Newton, MA 02464
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code:
(617) 670-6300

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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 April 29, 2014
Common Stock, \$0.001 par value per share	129,853,198 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, 2014

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PART I – FINANCIAL INFORMATION
Item 1. Unaudited Financial Statements

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

	Three months ended March 31,	
	2014	2013
Revenue	\$ 281	\$ 230
Costs and expenses:		
Cost of revenue (1)	8	4
Selling and marketing (2)	101	79
Technology and content (2)	38	29
General and administrative (2)	26	23
Depreciation	10	6
Amortization of intangible assets	2	1
Total costs and expenses:	185	142
Operating income	96	88
Other income (expense):		
Interest expense	(2)	(3)
Interest income and other, net	-	(1)
Total other expense, net	(2)	(4)
Income before income taxes	94	84
Provision for income taxes	(26)	(22)
Net income	\$ 68	\$ 62
Earnings per share attributable to common stockholders (note 11):		
Basic	\$ 0.48	\$ 0.44
Diluted	\$ 0.47	\$ 0.43
Weighted average common shares outstanding (note 11):		
Basic	142	143
Diluted	146	145
(1) Excludes amortization as follows:		
Amortization of website development costs included in depreciation	\$ 6	\$ 4
(2) Includes stock-based compensation as follows:		
Selling and marketing	\$ 3	\$ 2
Technology and content	\$ 6	\$ 7
General and administrative	\$ 5	\$ 5

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

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

	Three months ended March 31,	
	2014	2013
Net income	\$ 68	\$ 62
Other comprehensive income (loss), net of tax (1):		
Foreign currency translation adjustments	1	(3)
Total other comprehensive income (loss), net of tax	1	(3)
Comprehensive income	\$ 69	\$ 59

- (1) Unrealized gains (losses) and reclassifications of net gains (losses), including related tax effects, on available for sale securities during the three months ended March 31, 2014 and 2013 were not material.

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

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

	March 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 319	\$ 351
Short-term marketable securities (note 4)	142	131
Accounts receivable, net of allowance for doubtful accounts of \$3 and \$3 at March 31, 2014 and December 31, 2013, respectively	151	113
Income taxes receivable	12	14
Deferred income taxes, net	5	5
Prepaid expenses and other current assets	16	16
Total current assets	645	630
Long-term assets:		
Long-term marketable securities (note 4)	284	188
Property and equipment, net (note 5)	114	82
Deferred income taxes, net	1	1
Other long-term assets	19	18
Intangible assets, net	50	52
Goodwill	502	502
TOTAL ASSETS	\$ 1,615	\$ 1,473
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 11	\$ 10
Deferred merchant payables	63	30
Deferred revenue	58	44
Credit facility borrowings (note 6)	31	28
Borrowings, current (note 6)	40	40
Taxes payable	9	5
Accrued expenses and other current liabilities	81	86
Total current liabilities	293	243
Deferred income taxes, net	15	13
Other long-term liabilities (note 5)	73	52
Borrowings, net of current portion (note 6)	290	300
Total Liabilities	671	608
Commitments and contingencies (note 8)		
Stockholders' equity: (note 9)		
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: 131,972,013 and 131,537,798		
Shares outstanding: 129,851,304 and 129,417,089		
Class B common stock, \$0.001 par value		
Authorized shares: 400,000,000	-	-
Shares issued and outstanding: 12,799,999 and 12,799,999		
Additional paid-in capital	618	608
Retained earnings	470	402
Accumulated other comprehensive income	1	-
Treasury stock-common stock, at cost, 2,120,709 and 2,120,709 shares, March 31, 2014 and December 31, 2013, respectively	(145)	(145)
Total Stockholders' Equity	944	865
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,615	\$ 1,473

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

TRIPADVISOR, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2014
(in millions, except number of shares)

	<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, 2013	131,537,798	\$ -	12,799,999	\$ -	\$ 608	\$ 402	\$ -	(2,120,709)	\$ (145)	\$ 865
Net income						68				68
Currency translation adjustments							1			1
Issuance of common stock related to exercises of options and vesting of RSUs	434,215	-			2					2
Tax benefits on equity awards					11					11
Minimum withholding taxes on net share settlements of equity awards					(18)					(18)
Stock based compensation					15					15
Balance as of March 31, 2014	<u>131,972,013</u>	<u>\$ -</u>	<u>12,799,999</u>	<u>\$ -</u>	<u>\$ 618</u>	<u>\$ 470</u>	<u>\$ 1</u>	<u>(2,120,709)</u>	<u>\$ (145)</u>	<u>\$ 944</u>

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

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

	<u>Three months ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Operating activities:		
Net income	\$ 68	\$ 62
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment, including amortization of internal-use software and website development	10	6
Stock-based compensation	14	14
Amortization of intangible assets	2	1
Amortization of discounts and premiums on marketable securities, net	1	1
Deferred tax expense (benefit)	1	(3)
Excess tax benefits from stock-based compensation	(11)	(1)
Other, net	1	2
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable	(38)	(47)
Prepaid expenses and other assets	-	(2)
Accounts payable, accrued expenses and other liabilities	(5)	(17)
Deferred merchant payables	34	5
Income taxes, net	18	19
Deferred revenue	14	4
Net cash provided by operating activities	109	44
Investing activities:		
Acquisitions, net of cash acquired	-	(1)
Capital expenditures, including internal-use software and website development	(20)	(9)
Purchases of marketable securities	(203)	(214)
Sales of marketable securities	52	14
Maturities of marketable securities	44	31
Net cash used in investing activities	(127)	(179)
Financing activities:		
Proceeds from credit facilities	5	4
Payments to credit facilities	(3)	(15)
Principal payments on long-term debt	(10)	(10)
Proceeds from exercise of stock options	2	6
Payment of minimum withholding taxes on net share settlements of equity awards	(18)	(5)
Excess tax benefits from stock-based compensation	11	1
Payments on construction in-process related to build to suit lease obligations	(1)	-
Net cash used in financing activities	(14)	(19)
Effect of exchange rate changes on cash and cash equivalents	-	(2)
Net decrease in cash and cash equivalents	(32)	(156)
Cash and cash equivalents at beginning of period	351	368
Cash and cash equivalents at end of period	\$ 319	\$ 212
Supplemental disclosure of non-cash investing and financing activities:		
Capitalization of construction in-process related to build to suit lease obligation	\$ 14	\$ -

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

TRIPADVISOR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION, 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 Consolidated Financial Statements.

Description of Business

TripAdvisor is an online travel company, empowering users to plan and have the perfect trip. TripAdvisor’s travel research platform aggregates reviews and opinions of members about destinations, accommodations (such as hotels, B&Bs, specialty lodging and vacation rentals), restaurants and activities throughout the world through our flagship TripAdvisor brand. TripAdvisor-branded websites include tripadvisor.com in the United States and localized versions of the website in 36 countries, including in China under the brand daodao.com. Beyond travel-related content, TripAdvisor websites also include links to the websites of our travel advertisers allowing travelers to directly book their travel arrangements. In addition to the flagship TripAdvisor brand, we manage and operate 20 other travel brands, connected by the common goal of providing comprehensive travel planning resources across the travel sector. We derive substantially all of our revenue from advertising, primarily through click-based advertising and display-based advertising sales. In addition, we earn revenue through a combination of subscription-based offerings from our Business Listings and Vacation Rental products, transaction revenue from making hotel room nights available for booking on our transactional sites, and other revenue including licensing our content to third-parties. We have one operating and reportable segment: TripAdvisor. The segment is determined based on how our chief operating decision maker manages our business, makes operating decisions and evaluates operating performance.

Basis of Presentation

We have prepared the accompanying unaudited consolidated financial statements in accordance with accounting principles generally accepted in the United States (“GAAP”). We have included all adjustments necessary for a fair presentation of the results of the interim period. These adjustments consist of normal recurring items. We prepared the unaudited consolidated financial statements following the requirements of the U.S. Securities and Exchange Commission (“SEC”) for interim reporting. As permitted under those rules, we have condensed or omitted certain footnotes or other financial information that are normally required by GAAP for annual financial statements. Our interim unaudited 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 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, 2013, previously filed with the SEC.

Principles of Consolidation

These accompanying unaudited financial statements present our results of operations, financial position and cash flows on a consolidated basis. The accompanying unaudited 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. We have eliminated significant intercompany transactions and accounts.

Certain of our subsidiaries that operate in China have 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 some of our 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 activities of these affiliates. Our variable interest entities are not material for all periods presented.

Reclassifications

Pursuant to our disclosure in “Note 15— Related Party Transactions” 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, 2013, we no longer consider Expedia, Inc., or Expedia, a related party. Certain reclassifications have been made to conform the prior period to the current presentation relating to Expedia transactions, which includes the reclassification of revenue from Expedia on our unaudited statements of operations to revenue and the reclassification of receivables from Expedia, net on our unaudited consolidated balance sheets to accounts receivable. These reclassifications had no net effect on our unaudited consolidated financial statements.

All other reclassifications, made to conform the prior period to the current presentation, were not material and had no net effect on our unaudited consolidated financial statements.

Accounting Estimates

We use estimates and assumptions in the preparation of our unaudited 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 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 consolidated financial statements include recoverability of long-lived assets and investments, including intangible assets and goodwill; income taxes; useful lives of property and equipment; purchase accounting for business combinations and stock-based compensation.

Seasonality

Expenditures by travel advertisers tend to be seasonal. Traditionally, our strongest quarter has been the third quarter, which is a key travel research period, with the weakest quarter being the fourth quarter. However, adverse economic conditions or continued growth of our international operations with differing holiday peaks may influence the typical trend of our seasonality in the future.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Recently Adopted Accounting Pronouncements

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

In July 2013, the FASB issued new accounting guidance on the presentation of unrecognized tax benefits. The new guidance requires an entity to present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows: to the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use the deferred tax asset for such purpose, then the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2013, with early adoption permitted. Accordingly, we adopted these presentation requirements during the first quarter of 2014. The adoption of this new guidance did not have a material impact on our unaudited consolidated financial statements or related disclosures.

There have been no material changes to our significant accounting policies since December 31, 2013. For additional information about our critical accounting policies and estimates, refer to “Note 2— *Significant Accounting Policies*”, 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, 2013.

NOTE 3: STOCK BASED AWARDS AND OTHER EQUITY INSTRUMENTS

Stock-based Compensation Expense

The following table presents the amount of stock-based compensation expense related to stock-based awards, primarily stock options and RSUs, on our consolidated statements of operations during the periods presented:

	Three months ended March 31,	
	2014	2013
	(in millions)	
Selling and marketing	\$ 3	\$ 2
Technology and content	6	7
General and administrative	5	5
Total stock-based compensation	14	14
Income tax benefit from stock-based compensation	(5)	(5)
Total stock-based compensation, net of tax effect	<u>\$ 9</u>	<u>\$ 9</u>

Stock Based Award Activity and Valuation

2014 Stock Option Activity

During the three months ended March 31, 2014, we have issued 476,826 of service-based non-qualified stock options under the 2011 Incentive Plan. These stock options have a term of ten years from the date of grant and generally vest equitably over a four-year requisite service period. We will amortize the fair value of the 2014 grants, net of estimated forfeitures, as stock-based compensation expense over the vesting term on a straight-line basis, with the amount of compensation expense recognized at any date at least equaling the portion of the grant-date fair value of the award that is vested at that date.

A summary of the status and activity for stock option awards relating to our common stock for the three months ended March 31, 2014, 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 January 1, 2014	9,470	\$ 40.18		
Granted	477	96.62		
Exercised (1)	(599)	34.63		
Cancelled or expired	(78)	44.98		
Options outstanding at March 31, 2014	<u>9,270</u>	\$ 43.40	5.8	\$ 440
Exercisable as of March 31, 2014	<u>4,184</u>	\$ 31.54	3.5	\$ 247
Vested and expected to vest after March 31, 2014	<u>8,516</u>	\$ 42.57	5.5	\$ 411

- (1) Inclusive of 309,602 options which were not converted into shares due to net share settlement in order to cover the aggregate exercise price and the minimum amount of required employee withholding taxes. Potential shares that had been convertible under stock options that were withheld under net share settlement remain in the authorized but unissued pool under the 2011 Incentive 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 consolidated statements of cash flows.

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, 2014 was \$90.59. The total

TRIPADVISOR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

intrinsic value of stock options exercised for the three months ended March 31, 2014 and 2013 was \$36 million and \$7 million, respectively.

The fair value of stock option grants under the 2011 Incentive Plan 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,	
	2014	2013
Risk free interest rate	1.97%	1.07%
Expected term (in years)	6.38	6.25
Expected volatility	48.09%	51.72%
Expected dividend yield	— %	— %

The weighted-average grant date fair value of options granted was \$47.36 and \$22.68 for the three months ended March 31, 2014 and 2013, respectively. The total fair value of stock options vested for the three months ended March 31, 2014 and 2013 was \$23 million and \$20 million, respectively.

2014 RSU Activity

During the three months ended March 31, 2014, we issued 459,999 RSUs under the 2011 Incentive Plan for which the fair value was measured based on the quoted price of our common stock on the date of grant. These RSUs generally vest over a four-year requisite service period. We will amortize the fair value of the 2014 grants, net of estimated forfeitures, as stock-based compensation expense over the vesting term on a straight-line basis, with the amount of compensation expense recognized at any date at least equaling the portion of the grant-date fair value of the award that is vested at that date.

The following table presents a summary of RSU activity on our common stock during the three months ended March 31, 2014:

	RSUs Outstanding (in thousands)	Weighted Average Grant- Date Fair Value Per Share	Aggregate Intrinsic Value (in millions)
Unvested RSUs outstanding as of January 1, 2014	1,135	\$ 49.64	
Granted	460	96.34	
Vested and released (1)	(227)	43.61	
Cancelled	(36)	61.68	
Unvested RSUs outstanding as of March 31, 2014	<u>1,332</u>	\$ 66.46	\$ 121

(1) Inclusive of 80,930 RSUs withheld to satisfy employee minimum tax withholding requirements due to net share settlement. Potential shares which had been convertible under RSUs that were withheld under net share settlement remain in the authorized but unissued pool under the 2011 Incentive 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 consolidated statements of cash flows.

Unrecognized Stock-Based Compensation

A summary of our remaining unrecognized stock-based compensation expense, net of estimated forfeitures, and the weighted average remaining amortization period at March 31, 2014 related to our non-vested stock options and RSU awards is presented below (in millions):

	Stock Options	RSUs
Unrecognized compensation expense (net of forfeitures)	\$ 101	\$ 58
Weighted average period remaining (in years)	3.2	3.4

NOTE 4: FINANCIAL INSTRUMENTS

Cash, Cash Equivalents and Marketable Securities

The following tables show our cash and available-for-sale securities' amortized cost, gross unrealized gains, gross unrealized losses and fair value by significant investment category recorded as cash and cash equivalents or short and long-term marketable securities for the periods presented (in millions):

March 31, 2014								
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-Term Marketable Securities	Long-Term Marketable Securities	
Cash	\$ 269	\$ -	\$ -	\$ 269	\$ 269	\$ -	\$ -	
Level 1:								
Money market funds	50	-	-	50	50	-	-	
Level 2:								
U.S. agency securities	66	-	-	66	-	14	52	
Certificates of deposit	26	-	-	26	-	20	6	
Commercial paper	6	-	-	6	-	6	-	
Corporate debt securities	328	-	-	328	-	102	226	
Subtotal	426	-	-	426	-	142	284	
Total	<u>\$ 745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 745</u>	<u>\$ 319</u>	<u>\$ 142</u>	<u>\$ 284</u>	
December 31, 2013								
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-Term Marketable Securities	Long-Term Marketable Securities	
Cash	\$ 195	\$ -	\$ -	\$ 195	\$ 195	\$ -	\$ -	
Level 1:								
Money market funds	156	-	-	156	156	-	-	
Level 2:								
U.S. agency securities	37	-	-	37	-	14	23	
Certificates of deposit	23	-	-	23	-	16	7	
Commercial paper	5	-	-	5	-	5	-	
Corporate debt securities	254	-	-	254	-	96	158	
Subtotal	319	-	-	319	-	131	188	
Total	<u>\$ 670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 670</u>	<u>\$ 351</u>	<u>\$ 131</u>	<u>\$ 188</u>	

Our cash and cash equivalents consist of cash on hand in global financial institutions, money market funds and marketable securities with maturities of 90 days or less at the date purchased. The remaining maturities of our long-term marketable securities range from one to three years and our short-term marketable securities include maturities that were greater than 90 days at the date purchased and have 12 months or less remaining at March 31, 2014.

We classify our cash equivalents and marketable securities within Level 1 and Level 2 as we value our cash equivalents and marketable securities 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 our U.S. agency securities, commercial paper, corporate debt securities and certificates of deposit are considered "Level 2"

valuations because they are obtained from pricing sources for identical or comparable instruments, rather than direct observations of quoted prices in active markets.

There were no material realized gains or losses related to sales of our marketable securities for the three months ended March 31, 2014 and 2013, respectively.

As of March 31, 2014, we had marketable securities with an aggregate fair value of \$193 million currently in an unrealized loss position. The gross unrealized loss amount was not material at March 31, 2014. We consider the declines in market value of our marketable securities investment portfolio to be temporary in nature and do not consider any of our investments other-than-temporarily impaired. When evaluating an investment for other-than-temporary impairment, we review factors such as the length of time and extent to which fair value has been below its cost basis, the financial condition of the issuer and any changes thereto, and our intent to sell, or whether it is more likely than not we will be required to sell the investment before recovery of the investment's cost basis. During the three months ended March 31, 2014 and 2013, we did not recognize any impairment charges. We did not have any material investments in marketable securities that were in a continuous unrealized loss position for 12 months or greater at March 31, 2014 or December 31, 2013.

Derivative Financial Instruments

In the normal course of business, we are exposed to the impact of foreign currency fluctuations, which we attempt to mitigate through the use of derivative instruments. Accordingly, we have entered into forward contracts to reduce the effects of fluctuating foreign currency exchange rates on our cash flows denominated in foreign currencies. We do not use derivatives for trading or speculative purposes. In accordance with current accounting guidance on derivative instruments and hedging activities, we record all our derivative instruments as either an asset or liability measured at their fair value. Our derivative instruments are typically short-term in nature.

Our current forward contracts are not designated as hedges. Consequently, any gain or loss resulting from the change in fair value is recognized in the current period earnings. These gains or losses are offset by the exposure related to receivables and payables with our foreign subsidiaries and were not material for the three months ended March 31, 2014 and 2013, respectively, and are included in Interest income and other, net on our unaudited consolidated statements of operations. The net cash received or paid related to our derivative instruments are classified as operating in our unaudited consolidated statements of cash flows, which is based on the objective of the derivative instruments.

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

	March 31, 2014	December 31, 2013
	(in millions)	
Foreign exchange-forward contracts (1), (2)	\$ 5	\$ 5

- (1) Derivative contracts address foreign exchange fluctuations for the Euro versus the U.S. Dollar.
- (2) The fair value of our derivatives are not material for all periods presented and are reported as liabilities in accrued and other current liabilities on our unaudited consolidated balance sheets. 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.

Concentration of Credit Risk

Counterparties to currency exchange derivatives 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. While we may be exposed to potential losses due to the credit risk of non-performance by these counterparties, losses are not anticipated and any credit risk amounts associated with our outstanding or unsettled derivative instruments are deemed to be not material for any period presented.

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include trade receivables, trade payables, deferred merchant payables, short-term debt, accrued and other current liabilities and long-term debt. With the exception of long-term debt, the carrying amount approximates fair value because of the short maturity of these instruments as reported on our unaudited consolidated balance sheets as of March 31, 2014 and December 31, 2013, respectively. The carrying value of the long-term borrowings outstanding on our Credit Agreement bears interest at a variable rate and therefore is also considered to approximate fair value.

We did not have any Level 3 assets or liabilities for the periods ended March 31, 2014 and December 31, 2013.

NOTE 5: PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following for the periods presented:

	March 31, 2014	December 31, 2013
	(in millions)	
Capitalized software and website development	\$ 86	\$ 73
Leasehold improvements	34	22
Computer equipment	24	21
Furniture, office equipment and other	6	6
	150	122
Less: accumulated depreciation	(58)	(48)
Construction in progress (1)	22	8
Property and equipment, net	\$ 114	\$ 82

- (1) We capitalize construction in progress for build-to-suit lease agreements where we are considered the owner, for accounting purposes only, during the construction period. These amounts represent construction costs to date incurred by the landlord of our future corporate headquarters in Needham, MA. During the three months ended March 31, 2014 we capitalized \$14 million in construction costs with a corresponding liability recorded in other long-term liabilities on our unaudited consolidated balance sheet. Refer to “Note 12 – *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, 2013 for additional information on our future corporate headquarters lease.

NOTE 6: DEBT

Term Loan Facility Due 2016 and Revolving Credit Facility

Overview

On December 20, 2011, we entered into a credit agreement, by and among TripAdvisor, TripAdvisor Holdings, LLC, and TripAdvisor LLC, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Europe Limited, as London agent (this credit agreement, together with all exhibits, schedules, annexes, certificates, assignments and related documents contemplated thereby, is referred to herein as the “Credit Agreement”), which provides \$600 million of borrowing including:

- the Term Loan Facility, or Term Loan, in an aggregate principal amount of \$400 million with a term of five years due December 2016; and
- the Revolving Credit Facility in an aggregate principal amount of \$200 million available in U.S. dollars, Euros and British pound sterling with a term of five years expiring December 2016.

The Term Loan and any loans under the Revolving Credit Facility bear interest by reference to a base rate or a Eurocurrency rate, in either case plus an applicable margin based on our leverage ratio. We are also required to pay a quarterly commitment fee, on the average daily unused portion of the Revolving Credit Facility for each fiscal quarter and fees in connection with the issuance of letters of credit. The Term Loan and loans under the Revolving Credit Facility currently bear interest at LIBOR plus 150 basis points, or the Eurocurrency Spread, or the alternate base rate (“ABR”) plus 50 basis points, and undrawn amounts are currently subject to a commitment fee of 22.5 basis points. As of March 31, 2014 we are using a one-month interest period Eurocurrency Spread which is approximately 1.7% per annum. Interest is currently payable on a monthly basis while we are borrowing under the one-month interest

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rate period. The current interest rates are based on current assumptions, leverage and LIBOR rates and do not take into account that rates will reset periodically.

The Term Loan principal is currently repayable in quarterly installments on the last day of each calendar quarter equal to 2.5% of the original principal amount with the balance due on the final maturity date. Principal payments aggregating \$10 million were made during the three months ended March 31, 2014.

The Revolving Credit Facility includes \$40 million of borrowing capacity available for letters of credit and \$40 million for borrowings on same-day notice. As of March 31, 2014 there are no outstanding borrowings under our Revolving Credit Facility.

During the three months ended March 31, 2014 and 2013, we recorded total interest and commitment fees on our Credit Agreement of \$2 million and \$2 million, respectively, to interest expense on our unaudited consolidated statements of operations. All unpaid interest and commitment fee amounts as of March 31, 2014 and 2013 were not material.

Total outstanding borrowings under the Credit Agreement consist of the following:

	<u>March 31,</u> <u>2014</u>
	<u>(in millions)</u>
Short-Term Debt:	
Term Loan	\$ 40
Total Short-Term Borrowings	\$ 40
Long-Term Debt:	
Term Loan	\$ 290
Total Long-Term Borrowings	\$ 290

The future minimum principal payment obligations due under the Credit Agreement related to our Term Loan is as follows:

<u>March 31,</u>	<u>Principal Payments</u> <u>(in millions)</u>
2014 (remaining nine months)	\$ 30
2015	40
2016	260
Total	\$ 330

Prepayments

We may voluntarily repay any outstanding borrowing under the Credit Agreement at any time without premium or penalty, other than customary breakage costs with respect to eurocurrency loans.

Guarantees

All obligations under the Credit Agreement are unconditionally guaranteed by us and each of our existing and subsequently acquired or organized direct or indirect wholly-owned domestic and foreign restricted subsidiaries, subject to certain exceptions for subsidiaries that are controlled foreign corporations, foreign subsidiaries in jurisdictions where applicable law would otherwise be violated, and non-material subsidiaries.

Covenants

The Credit Agreement contains a number of covenants that, among other things, restrict our ability to: incur additional indebtedness, create liens, enter into sale and leaseback transactions, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions, make investments, loans or advances, prepay certain subordinated indebtedness, make certain acquisitions, engage in certain transactions with affiliates, amend material agreements governing certain subordinated indebtedness,

and change our fiscal year. The Credit Agreement also requires us to maintain a maximum leverage ratio and a minimum cash interest coverage 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 Credit Agreement will be entitled to take various actions, including the acceleration of all amounts due under the Credit Agreement and all actions permitted to be taken by a secured creditor.

As of March 31, 2014, we believe we are in compliance with all of our debt covenants.

Chinese Credit Facilities

In addition to our borrowings under the Credit Agreement, we maintain our Chinese Credit Facilities. As of March 31, 2014 and December 31, 2013, we had short-term borrowings outstanding of \$31 million and \$28 million, respectively.

Certain of our Chinese subsidiaries entered into a RMB 189,000,000 (approximately \$30 million), one-year revolving credit facility with Bank of America (the “Chinese Credit Facility—BOA”) that is currently subject to review on a periodic basis with no-specific expiration period. We had \$13 million of outstanding borrowings from the Chinese Credit Facility—BOA as of March 31, 2014. Our Chinese Credit Facility—BOA currently bears interest at a rate based on 100% of the People’s Bank of China’s base rate, which was 5.6% as of March 31, 2014.

In addition, during April 2012, certain of our Chinese subsidiaries entered into a RMB 125,000,000 (approximately \$20 million) one-year revolving credit facility with J.P. Morgan Chase Bank (“Chinese Credit Facility—JPM”). This credit facility was renewed for an additional year in April 2014 under the same terms. We had \$18 million of outstanding borrowings from the Chinese Credit Facility—JPM as of March 31, 2014. Our Chinese Credit Facility—JPM currently bears interest at a rate based on 100% of the People’s Bank of China’s base rate, which was 5.6% as of March 31, 2014.

NOTE 7: INCOME TAXES

Each interim period is considered an integral part of the annual period and, accordingly, we measure our 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.

Our effective tax rate for the three months ended March 31, 2014 and 2013 was 27.7% and 26.2%, respectively. For the three months ended March 31, 2014, the effective tax rate is less than the federal statutory rate primarily due to earnings in jurisdictions outside the United States, where our effective tax rate is lower, which was partially offset by state income taxes, non-deductible stock compensation and accruals on uncertain tax positions. The increase in the effective tax rate for 2014 compared to the 2013 rate was primarily due to a change in jurisdictional earnings.

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, 2014, accrued interest is \$1 million, net of federal benefit, and no penalties have been accrued. We do not anticipate any material releases in the next twelve months.

By virtue of previously filed consolidated income tax returns filed with Expedia, we are routinely under audit by federal, state and foreign tax authorities. We are currently under an IRS audit for the 2009 and 2010 tax years, and have various ongoing state income tax audits. As of March 31, 2014, no material assessments have resulted from these audits. These audits include questioning the timing and the amount of income and deductions and the allocation of income among various tax jurisdictions. Annual tax provisions include amounts considered sufficient to pay assessments that may result from the examination of prior year returns. We are no longer subject to tax examinations by tax authorities for years prior to 2007.

NOTE 8: COMMITMENTS AND CONTINGENCIES

There have been no material changes to our commitments and contingencies since December 31, 2013. Refer to “Note 12— *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, 2013.

In the ordinary course of business, we and our subsidiaries are parties to legal proceedings and claims involving alleged infringement of third-party intellectual property rights, defamation, and other claims. Rules of 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 the Company and its subsidiaries 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.

NOTE 9: STOCKHOLDERS' EQUITY

Preferred Stock

In addition to common stock, we are authorized to issue up to 100 million preferred shares, with \$ 0.001 par value per share, with terms determined by our Board of Directors, without further action by our stockholders. At March 31, 2014, no preferred shares had been issued.

Common Stock and Class B Common Stock

Our authorized common stock consists of 1.6 billion shares of common stock with par value of \$0.001 per share, and 400 million shares of Class B common stock with par value of \$0.001 per share. Both classes of common stock qualify for and share equally in dividends, if declared by our Board of Directors. Common stock is entitled to one vote per share and Class B common stock is entitled to 10 votes per share on most matters. Holders of TripAdvisor common stock, acting as a single class, are entitled to elect a number of directors equal to 25% of the total number of directors, rounded up to the next whole number, which was three directors as of March 31, 2014. Class B common stockholders may, at any time, convert their shares into common stock, on a one for one share basis. Upon conversion, the Class B common stock is retired and is not available for reissue. In the event of liquidation, dissolution, distribution of assets or winding-up of TripAdvisor, the holders of both classes of common stock have equal rights to receive all the assets of TripAdvisor after the rights of the holders of the preferred stock have been satisfied. There were 131,972,013 and 129,851,304 shares of common stock issued and outstanding, respectively, at March 31, 2014 and 12,799,999 shares of Class B common stock issued and outstanding at March 31, 2014.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income primarily relates to cumulative foreign currency translation adjustments and was not material at March 31, 2014 and December 31, 2013.

Treasury Stock

On February 15, 2013, our Board of Directors authorized the repurchase of \$250 million of our shares of common stock under a share repurchase program. We have in the past, and intend to use in the future, available cash from operations to fund repurchases under the share repurchase program. The repurchase program has no expiration date but may be suspended or terminated by the Board of Directors at any time. Our Board of Directors will determine the price, timing, amount and method of such repurchases based on its evaluation of market conditions and other factors, and any shares repurchased will be in compliance with applicable legal requirements, at prices determined to be attractive and in the best interests of both the Company and its stockholders.

During the three months ended March 31, 2014, we did not repurchase any shares of our outstanding common stock under the share repurchase program. As of March 31, 2014, from the authorized share repurchase program granted by the Board of Directors, we have repurchased 2,120,709 shares of our outstanding common stock and have \$105 million remaining to repurchase shares of our common stock.

Dividends

During the period January 1, 2014 through March 31, 2014, our Board of Directors did not declare any dividends on our outstanding common stock and do not expect to pay any dividends for the foreseeable future.

NOTE 10: SEGMENT INFORMATION

Segment Information

We have one operating and reportable segment: TripAdvisor. We determined our segment based on how our chief operating decision maker manages our business, makes operating decisions, evaluates operating performance and allocates resources. The chief operating decision maker for the Company is our Chief Executive Officer.

Our primary operating metric for evaluating segment performance is Adjusted EBITDA. 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 (6) non-recurring expenses. Such amounts are detailed in our segment reconciliation below. In addition, please see our discussion of Adjusted EBITDA in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” below.

The following table is a reconciliation of Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, for the periods presented:

	Three months ended March 31,	
	2014	2013
	(in millions)	
Adjusted EBITDA	\$ 122	\$ 109
Depreciation (1)	(10)	(6)
OIBA (2)	112	103
Amortization of intangible assets	(2)	(1)
Stock-based compensation	(14)	(14)
Other expense, net	(2)	(4)
Provision for income taxes	(26)	(22)
Net income	\$ 68	\$ 62

(1) Includes amortization of internal use software and website development costs.

(2) We define OIBA as net income (loss) plus: (1) provision for income taxes; (2) other (income) expense, net; (3) stock-based compensation; (4) amortization of intangible assets; and (5) non-recurring expenses. This operating metric is only used by our management to calculate our annual obligation for our charitable foundation. Refer to “Note 12— *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, 2013 for information regarding our charitable foundation.

NOTE 11: EARNINGS PER SHARE

Basic Earnings Per Share Attributable to Common Stockholders

We compute basic earnings per share, or Basic EPS, by dividing net income attributable to TripAdvisor by the weighted average number of common shares outstanding during the period. For the three months ended March 31, 2014 and 2013, we computed the weighted average number of common shares outstanding during the period using the total of common stock and Class B common stock outstanding as of December 31, 2013 and 2012, respectively, plus the weighted average of any additional shares issued and outstanding during the three months ended March 31, 2014 and 2013, respectively.

Diluted Earnings Per Share Attributable to Common Stockholders

We compute diluted earnings per share, or Diluted EPS, by dividing net income attributable to TripAdvisor by the sum of the weighted average number of common and common equivalent shares outstanding during the period. For the three months ended March 31, 2014 and 2013, 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, (ii) if dilutive, the incremental weighted average common stock that we would issue upon the assumed exercise of common equivalent shares related to stock options and the vesting of restricted stock units using the treasury stock method during the three months ended March 31, 2014 and 2013, respectively, and (iii) if dilutive, performance 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, the average unrecognized compensation cost during the period and any tax benefits credited upon exercise to additional paid-in-capital. The treasury stock method assumes that a company uses the proceeds from the exercise of an award to repurchase common stock at the average market price for the period. Windfall tax benefits created upon the exercise of an award would be added to assumed proceeds, while shortfalls charged to additional paid-in-capital would be deducted from assumed proceeds. Any shortfalls not covered by the windfall tax pool would be charged to the income statement and would be excluded from the calculation of assumed proceeds, if any.

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):

	Three Months Ended March 31,	
	2014	2013
Numerator:		
Net income	\$ 68	\$ 62
Denominator:		
Weighted average shares used to compute Basic EPS	142,399	143,063
Weighted average effect of dilutive securities:		
Stock options	2,884	1,401
RSUs	382	191
Weighted average shares used to compute Diluted EPS	145,665	144,655
Basic EPS	\$ 0.48	\$ 0.44
Diluted EPS	\$ 0.47	\$ 0.43

The following potential common shares related to stock options and RSUs were excluded from the calculation of Diluted EPS because their effect would have been anti-dilutive for the periods presented (in thousands):

	Three Months Ended March 31,	
	2014(1)	2013(2)
Stock options	1,688	4,577
RSUs	439	-
Total	2,127	4,577

- (1) These totals do not include 121,666 performance based options and 44,000 performance based RSUs representing the right to acquire 165,666 shares of common stock for which all targets required to trigger vesting have not been achieved; therefore, such awards were excluded from the calculation of weighted average shares used to compute Diluted EPS for those reporting periods.
- (2) These totals do not include performance based options representing the right to acquire 210,000 shares of common stock for which all targets required to trigger vesting have not been achieved as of March 31, 2013; therefore, such awards were excluded from the calculation of weighted average shares used to compute Diluted EPS for those reporting periods.

The earnings per share amounts are the same for common stock and Class B common stock because the holders of each class are legally entitled to equal per share distributions whether through dividends or in liquidation.

NOTE 12: RELATED PARTY TRANSACTIONS

Liberty Interactive Corporation

As of March 31, 2014, Liberty Interactive Corporation, or Liberty, beneficially owned 18,159,752 shares of our common stock and 12,799,999 shares of our Class B common stock, which shares constitute 14.0% of the outstanding shares of Common Stock and 100% of the outstanding shares of Class B Common Stock. Assuming the conversion of all of Liberty's shares of Class B common stock into common stock, Liberty would beneficially own 21.7% of the outstanding common stock (calculated in accordance with Rule 13d-3). Because each share of Class B common stock generally is entitled to ten votes per share and each share of common stock is entitled to one vote per share, Liberty may be deemed to beneficially own equity securities representing approximately 56.7% of our voting power.

We had no material related party transactions with Liberty during the three months ended March 31, 2014 and 2013, respectively.

NOTE 13: SUBSEQUENT EVENT

In early May 2014, TripAdvisor LLC, the wholly-owned operating subsidiary of TripAdvisor Inc., entered into an exclusivity agreement with the shareholders of La Fourchette to acquire that company. La Fourchette is the leading online and mobile reservation platform for restaurants in France and Spain. The exclusive offer relating to 100% of the shares of La Fourchette SA, which is majority owned by Otium Capital, has been signed by all of the shareholders of La Fourchette. It is contemplated that closing will occur shortly following satisfaction of certain conditions to closing.

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

Forward-Looking Statements

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 our Annual Report on Form 10-K for the year ended December 31, 2013, Part I, Item 1A, "Risk Factors," as well as those discussed elsewhere in this report. 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.

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 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, 2013.

Overview

TripAdvisor is the world's largest online travel company. Our mission is to help people around the world plan and have the perfect trip by giving them access to the reviews and opinions of the millions of travelers who make up our global online community. TripAdvisor aggregates reviews and opinions about destinations, accommodations (such as hotels, B&Bs, specialty lodging and vacation rentals), restaurants and activities throughout the world. Our platform also enables consumers to book hotels, vacation rentals, airline tickets, vacation packages, destination services and even cruises.

Our branded websites include tripadvisor.com in the United States and localized versions of the website in 36 other countries, including China under the brand daodao.com. Our TripAdvisor-branded websites globally averaged nearly 260 million monthly unique visitors during the quarter ended March 31, 2014, according to Google Analytics. We currently feature over 150 million reviews and opinions on more than 810,000 hotels and accommodations and approximately 600,000 vacation rentals—as well as more than 2.2 million restaurants and 420,000 attractions in 140,000 destinations throughout the world. Beyond travel-related content, our websites also include links to the websites of our customers, including travel advertisers, allowing travelers to directly book their travel arrangements. In addition to the flagship TripAdvisor brand, we now manage and operate 20 other travel media brands, connected by the common goal of providing comprehensive travel planning resources across the travel sector.

Executive Summary

At present, our financial results are principally dependent on our ability to grow click-based advertising revenue. We continue to invest in areas of potential click-based revenue growth, including international and mobile initiatives, while also investing in our display-based advertising, Business Listings and Vacation Rentals products. We aim to leverage our position as the largest online travel company to become an increasingly important partner for advertisers—including hoteliers, online travel agencies, or OTA's, and other travel-related service providers—by providing our partners with access to a large audience of highly-qualified, highly-engaged users. The key drivers of our click-based and display-based advertising revenue are described below, as well as a summary of our key growth areas and the current trends impacting our business.

Key Drivers of Click-Based Advertising Revenue

For the three months ended March 31, 2014 and 2013, 74% and 78%, respectively, of our total revenue came from our core cost-per-click, or CPC-based lead generation product. The key drivers of our click-based advertising revenue include the growth in monthly unique hotel shoppers and revenue per hotel shopper.

- *Hotel shoppers:* Total traffic growth, or growth in monthly visits from unique visitors, is reflective of our overall brand growth. We track and analyze sub-segments of traffic and their correlation to revenue generation and utilize hotel shoppers as an indicator of revenue growth. We use the term “hotel shoppers” to refer to users who view a listing of hotels in a city or visitors who view a specific hotel page. Hotel shoppers tend to be seasonal and also tend to vary based on general economic conditions. Our number of hotel shoppers increased 14% and 37% for the three months ended March 31, 2014 and 2013, according to our log files. The deceleration of hotel shopper growth for the three months ended March 31, 2014 is primarily due to high hotel shopper growth from search engine optimization, or SEO, in late 2012 and for the three months ending March 31, 2013, which provides for a challenging comparative. We continue to focus our efforts on strategies that will increase the number of hotel shoppers, however, hotel shopper trends remain difficult to predict.

As our traffic grows and as we optimize the hotel shopper experience on our site, the number of servlets on which a user can engage with the TripAdvisor brand also grows. We have captured these additional servlets in our first quarter 2014 hotel shopper growth figure and have also updated our historical hotel shopper growth figure for the first quarter 2013 for comparative purposes. The impact of this change is immaterial to hotel shopper growth and did not affect our unaudited consolidated financial statements for any period presented.

- *Revenue per hotel shopper:* Revenue per hotel shopper is a metric we use to analyze how effectively we are able to monetize hotel shoppers based on a combination of user conversion and pricing. User conversion, or clicks per hotel shopper, is a measure of how many hotel shoppers ultimately click on a CPC link that generates revenue for us. User conversion on our site is primarily driven by three factors: merchandising, commerce coverage and choice. We define merchandising as the number and location of ads that are available on a page; we define commerce coverage as whether we have a client who can take an online booking for a particular property; and we define choice as the number of clients available for any given property, allowing the user to shop for the best price. Pricing is the effective CPC that OTA's and hoteliers are willing to pay us for a hotel shopper lead, by participating in a competitive bidding process which determines the CPC price paid. Revenue per hotel shopper increased 1% and decreased 10% for the three months ended March 31, 2014 and 2013, respectively. Revenue per hotel shopper increased 1% for the three months ended March 31, 2014, largely due to our implementation of hotel metasearch in June of 2013, which, to date, has resulted in relatively higher CPC pricing paid by our partners, due to higher quality clicks being delivered, mainly offset by relatively lower rates of user conversion. In addition, growth in hotel shoppers on smartphones, which have a lower monetization rate than desktops and tablets, and growth in emerging international markets that are currently monetizing at lower levels than our mature markets continue to provide challenges to our growth rate.

In summary, our CPC revenue depends on the number of hotel shoppers that are interested in a property, whether there is a commerce link available for that hotel shopper to click on for that property, whether there are several commerce choices available for that property so the hotel shopper has the benefit of pricing and availability from multiple sources and what our partners are willing to pay us for the lead.

Key Drivers of Display-Based Advertising Revenue

For both the three months ended March 31, 2014 and 2013, respectively, 11% of our total revenue came from our display-based advertising product. The key drivers of our display-based advertising revenue include the growth in number of impressions, or the number of times an ad is displayed on our site, and the cost per thousand impressions, or CPM. Our number of impressions sold increased 30% and 10% for the three months ended March 31, 2014 and 2013, while pricing decreased 1% for the three months ended March 31, 2014 and increased 2% for three months ended March 31, 2013, according to our log files.

Key Growth Areas

We continue to invest in areas of potential growth, including our mobile and social initiatives, as well as our Business Listings and Vacation Rentals products.

Mobile. Mobile is an investment area that is geared towards creating a more complete user experience by reinforcing the TripAdvisor brand when users are in-market. In the quarter ended March 31, 2014, we saw strong mobile user uptake, as aggregate downloads of our TripAdvisor, City Guides, SeatGuru, Jetsetter and GateGuru mobile apps reached more than 100 million downloads and average monthly unique visitors via smartphone and tablet devices grew over 83% year-over-year from 62 million to 115 million,

according to company logs. We believe that travelers will increasingly use mobile devices, including smartphones and tablets, to conduct travel research and planning.

Community Engagement. Engaging our community is a core component of our strategic growth plan. We believe that having strong social presence improves engagement on our sites and improves the sites' "stickiness" amongst the users. As a result, we continue to look for ways to leverage Facebook as well as other community features across our platforms. Specifically, we offer Facebook users a more personalized and social travel planning experience that enables travelers to engage with their Facebook friends' reviews and opinions when planning their perfect trip on TripAdvisor.

Business Listings. Created in early 2010, our Business Listings product enables hotel and accommodation owners to list pertinent property information on TripAdvisor, bringing them closer to potential customers and thereby increasing direct bookings. In the year ended December 31, 2013, we grew our Business Listings customer base over 38% to 69,000 subscribers, representing approximately 9% of our current hotel and accommodation listings on TripAdvisor branded sites. We continue to expand our sales force and improve features to grow our subscriber base.

Vacation Rentals. As of March 31, 2014, we had amassed an inventory of approximately 600,000 properties, up more than 100% year-over-year, across our TripAdvisor Vacation Rentals, U.S.-based FlipKey, and European-based Holiday Lettings and Niumba. We offer individual property owners and property managers the ability to list using a subscription-based fee structure or a free-to-list, commission-based option and we believe our highly-engaged and motivated user community creates a competitive advantage for us in this market.

Current Trends Affecting Our Business

Increasing Competition. The travel review industry and, more generally, the business of collecting and aggregating travel-related resources and information, continue to be increasingly competitive. In recent years, an increasing number of companies, such as search companies Google, Inc. and Baidu.com, Inc. and several large OTA's, have begun to collect and aggregate travel information and resources. We plan to continue to invest in order to remain the leading source of travel reviews as well as continue to enhance our content and user experience. Refer to our Annual Report on Form 10-K for the year ended December 31, 2013 in "—Competition" in Item 1 "Business" section for additional information on our competition.

Increasing Use of Internet and Social Media to Access Travel Information. Commerce, information and advertising continue to migrate to the Internet and away from traditional media outlets. We believe that this trend will continue to create strategic growth opportunities, allowing us to attract new consumers and develop unique and effective advertising solutions. Consumers are increasingly using online social media channels, such as Facebook and Twitter, as a means to communicate and exchange information, including travel information and opinions. We have made significant efforts related to social networking in order to leverage the expanding use of this channel and enhance traffic diversification and user engagement. We are also continually adapting our user experience in response to a changing Internet environment and usage trends. For example, in 2012, we invested in building and introducing to users, hotel metasearch functionality for our smartphone platforms and in June of 2013, we completed the process of implementing hotel metasearch functionality on our desktop and tablet platforms. Hotel metasearch provides hotel shoppers with real-time online hotel availability and pricing information from multiple sources without requiring the user to visit another website. Refer to our metasearch discussion in our Annual Report on Form 10-K for the year ended December 31, 2013 under "Improving the Hotel Shopper Experience" in the "Our Strategy" section in Item 1 "Business" for additional information on our hotel metasearch transition.

Increasing Mobile Usage. Users are increasingly using smartphone and tablet computing devices to access the Internet. To address these growing user demands, we continue to extend our platform to develop smartphone and tablet applications to deliver travel information and resources. Although the substantial majority of our smartphone users also access and engage with our websites on personal computers and tablets where we display advertising, our users could decide to access our products primarily through smartphone devices. We do display graphic advertising on smartphones, however, our smartphone monetization strategies are still developing, as smartphone monetization was less than 20% of desktop monetization of hotel shoppers during the three months ended March 31, 2014 while tablets monetize more closely to desktops. Mobile growth and development remains a key strategy and we will continue to invest and innovate in this growing platform to help us maintain and grow our user base, engagement and monetization over the long term. An example of our mobile development efforts is our assisted booking path, or Instant Booking, which we began rolling out in April 2014. This feature allows travelers to make a hotel booking, currently through iOS and Android smartphones, through whichever OTA or hotel supplier they choose while remaining on the TripAdvisor mobile app. We believe Instant Booking will optimize the hotel shopping experience for mobile users.

Click-Based Advertising Revenue. In recent years, the majority of our revenue growth resulted from higher click-based advertising revenue due to increased traffic on our websites and an increase in the volume of clicks on our advertisers' placements. Although click-based advertising revenue growth has generally been driven by traffic volume, we remain focused on the various factors that could impact revenue growth, including, but not limited to, the growth in hotel shoppers, CPC pricing fluctuations, the

overall economy, the ability of advertisers to monetize our traffic, the quality and mix of traffic to our websites, and the quality and mix of traffic from our advertising placements to advertisers, as well as advertisers' evolving approach to transaction attribution models and return on investment targets. We monitor and regularly respond to changes in these factors in order to strategically improve our user experience, customer satisfaction and monetization in this dynamic environment. For example, in order to improve user experience, we introduced metasearch functionality to our hotel shoppers as discussed above.

Segment

We have one operating and reportable segment. The segment is determined based on how our chief operating decision maker manages our business, makes operating decisions, evaluates operating performance and allocates resources. The chief operating decision maker for the company is our Chief Executive Officer.

Employees

As of March 31, 2014, we had 2,102 employees. Of these employees, 1,196 were based in the United States. None of our employees are represented by a labor union or are subject to a collective bargaining agreement. We believe that relations with our employees are good.

Seasonality

Expenditures by travel advertisers tend to be seasonal. Traditionally, our strongest quarter has been the third quarter, which is a key travel research period, with the weakest quarter historically being the fourth quarter. However, adverse economic conditions or continued growth of our international operations with differing holiday peaks may influence the typical trend of our seasonality in the future.

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, where 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
- 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, 2013.

New Accounting Pronouncements

For a discussion of new accounting pronouncements, see "Note 2— *Significant Accounting Policies*," in the notes to the Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q. We are an "issuer" (as defined in Section 2(a) of the Sarbanes-Oxley Act of 2002), and, as such, are required to comply with all new and revised accounting standards applicable to public companies.

Results of Operations
Selected Financial Data
(in millions, except per share amounts)

	Three months ended		% Change 2014 vs 2013
	2014	2013	
Revenue	\$ 281	\$ 230	22%
Costs and expenses:			
Cost of revenue (1)	8	4	100%
Selling and marketing (2)	101	79	28%
Technology and content (2)	38	29	31%
General and administrative (2)	26	23	13%
Depreciation	10	6	67%
Amortization of intangible assets	2	1	100%
Total costs and expenses:	185	142	30%
Operating income	96	88	9%
Other income (expense):			
Interest expense	(2)	(3)	(33)%
Interest income and other, net	-	(1)	(100)%
Total other expense, net	(2)	(4)	(50)%
Income before income taxes	94	84	12%
Provision for income taxes	(26)	(22)	18%
Net income	\$ 68	\$ 62	10%

Earnings per share attributable to common stockholders:

Basic	\$ 0.48	\$ 0.44	9%
Diluted	\$ 0.47	\$ 0.43	9%

Weighted average common shares outstanding:

Basic	142	143	(1)%
Diluted	146	145	1%

Other Financial Data:

Adjusted EBITBA (3)	\$ 122	\$ 109	12%
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(1) Excludes amortization as follows:

Amortization of website development costs included in depreciation	\$ 6	\$ 4	
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(2) Includes stock-based compensation as follows:

Selling and marketing	\$ 3	\$ 2	
Technology and content	\$ 6	\$ 7	
General and administrative	\$ 5	\$ 5	

(3) See "Adjusted EBITDA" below for more information.

Adjusted EBITDA

To provide investors with additional information regarding our financial results, we have disclosed Adjusted EBITDA, which is a non-GAAP financial measure, in our Quarterly Report on Form 10-Q. We have provided a reconciliation below of Adjusted EBITDA to net income, the most directly comparable 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.

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 (6) non-recurring expenses. Adjusted EBITDA is the primary metric by which management evaluates the performance of its business and on which internal budgets are based. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA facilitates operating performance comparisons on a period-to-period basis. We believe that by excluding certain non-cash expenses, such as stock-based compensation and non-recurring expenses, Adjusted EBITDA corresponds more closely to the cash that operating income generated from our business and allows investors to gain an understanding of the factors and trends affecting the ongoing cash earnings capabilities of our business, from which capital investments are made and debt is serviced.

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. 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;
- 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 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.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including various cash flow metrics, net income and our other GAAP results.

The following table is a reconciliation of Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, for the periods presented:

	Three months ended	
	March 31,	
	2014	2013
	(in millions)	
Adjusted EBITDA	\$ 122	\$ 109
Depreciation (1)	(10)	(6)
Amortization of intangible assets	(2)	(1)
Stock-based compensation	(14)	(14)
Other expense, net	(2)	(4)
Provision for income taxes	(26)	(22)
Net income	\$ 68	\$ 62

- (1) Includes amortization of internal use software and website development costs.

Revenue

We derive substantially all of our revenue through the sale of advertising, primarily through click-based advertising and, to a lesser extent, display-based advertising. In addition, we earn revenue through a combination of subscription-based offerings related to our Business Listings and Vacation Rentals products, transaction revenue from selling room nights on our transactional sites, and other revenue including content licensing.

	Three Months Ended March 31,		% Change 2014 vs. 2013
	2014	2013	
	(in millions)		
Click-based advertising	\$ 207	\$ 179	16%
Display-based advertising	32	25	28%
Subscription, transaction and other	42	26	62%
Total revenue	<u>\$ 281</u>	<u>\$ 230</u>	22%

Revenue increased \$51 million during the three months ended March 31, 2014 when compared to the same period in 2013, primarily due to an increase in click-based advertising revenue of \$28 million. The primary driver of the increase in click-based advertising revenue was an increase in hotel shoppers of 14% and an increase in revenue per hotel shopper of 1% for the three months ended March 31, 2014. Display-based advertising increased by \$7 million during the three months ended March 31, 2014, primarily as a result of a 30% increase in the number of impressions sold due to increased sales productivity coupled with our Delayed Ad Call product, and worldwide growth particularly in emerging markets when compared to the same period in 2013, partially offset by a decrease in pricing by 1% for the three months ended March 31, 2014. Subscription, transaction and other revenue increased by \$16 million during the three months ended March 31, 2014, primarily due to growth in our Business Listings and Vacation Rentals products.

The following table presents our revenue by geographic region which reflects how we measure our business internally. Revenue by geography is based on the location of our websites:

	Three months ended March 31,		% Change
	2014	2013	
	(in millions)		
Revenue by geographic region:			
North America (1)	\$ 146	\$ 122	20%
EMEA (2)	90	71	27%
APAC (3)	35	27	30%
LATAM (4)	10	10	0%
Total	<u>\$ 281</u>	<u>\$ 230</u>	22%

- (1) United States and Canada*
- (2) Europe, Middle East and Africa
- (3) Asia-Pacific
- (4) Latin America

* Included in international revenue for discussion purposes.

International revenue increased \$29 million or 25% during the three months ended March 31, 2014 compared to 2013. International revenue represented 51% and 50% of total revenue during the three months ended March 31, 2014 and 2013, respectively. The increase in international revenue, in absolute dollars and as a percentage of total revenue, is primarily due to additional investment in international expansion and growth in international hotel shoppers.

Cost of Revenue

Cost of revenue consists of expenses that are closely correlated or directly related to revenue generation, including direct costs, such as ad serving fees, flight search fees, credit card fees and data center 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 2014 vs 2013
	2014	2013	
	(in millions)		
Direct costs	\$ 7	\$ 4	75%
Personnel and overhead	1	-	100%
Total cost of revenue	<u>\$ 8</u>	<u>\$ 4</u>	100%
% of revenue	2.8%	1.7%	

Cost of revenue increased \$4 million during the three months ended March 31, 2014 when compared to the same period in 2013, primarily due to increased data center costs, driven by higher site traffic, and increased merchant credit card fees, driven by additional costs from our 2013 business acquisitions and free-to-list growth in our vacation rental products, and additional customer support costs.

Selling and Marketing

Sales and marketing expenses primarily consist of direct costs, including search engine marketing, or SEM, other traffic acquisition costs, syndication costs and affiliate program commissions, brand advertising and public relations. In addition, our indirect sales and marketing expense consists of 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 2014 vs 2013
	2014	2013	
	(in millions)		
Direct costs	\$ 64	\$ 51	25%
Personnel and overhead	37	28	32%
Total selling and marketing	<u>\$ 101</u>	<u>\$ 79</u>	28%
% of revenue	35.9%	34.3%	

Direct selling and marketing costs increased \$13 million during the three months ended March 31, 2014 when compared to the same period in 2013, primarily due to increased SEM costs and other traffic acquisition costs, partially offset by a decrease in spending in social media and brand advertising costs, including offline advertising costs. Personnel and overhead costs increased \$9 million during the three months ended March 31, 2014 when compared to the same period in 2013, primarily due to an increase in headcount to support business growth, including international expansion and employees joining us through recent business acquisitions, and also increased stock-based compensation costs.

Technology and Content

Technology and content expenses consist of personnel and overhead expenses, including salaries, benefits, stock-based compensation and bonuses for salaried employees and contractors engaged in the design, development, testing, content support, and maintenance of our websites. Other costs include licensing, maintenance expense, and technology hardware.

	Three Months Ended March 31,		% Change 2014 vs 2013
	2014	2013	
	(in millions)		
Personnel and overhead	\$ 32	\$ 27	19%
Other	6	2	200%
Total technology and content	<u>\$ 38</u>	<u>\$ 29</u>	31%
% of revenue	13.5%	12.6%	

Technology and content costs increased \$9 million during the three months ended March 31, 2014 when compared to the same period in 2013, primarily due to increased personnel costs from increased headcount to support business growth, including international expansion and enhanced site features, as well as additional personnel costs related to employees joining us through recent business acquisitions.

General and Administrative

General and administrative expense consists primarily of personnel and related overhead costs, including executive leadership, finance, legal and human resource functions and stock-based compensation as well as professional service fees and other fees including audit, legal, tax and accounting, and other costs including bad debt expense and our charitable foundation costs.

	Three Months Ended March 31,		% Change 2014 vs 2013
	2014	2013	
	(in millions)		
Personnel and overhead	\$ 19	\$ 16	19%
Professional service fees and other	7	7	0%
Total general and administrative	\$ 26	\$ 23	13%
% of revenue	9.3%	10.0%	

General and administrative costs increased \$3 million during the three months ended March 31, 2014 when compared to the same period in 2013, primarily due to increased personnel costs related to an increase in headcount to support our business operations.

Depreciation

	Three Months Ended March 31,	
	2014	2013
	(in millions)	
Depreciation	\$ 10	\$ 6
% of revenue	3.6%	2.6%

Depreciation expense increased \$4 million during the three months ended March 31, 2014 when compared to the same period in 2013 primarily due to increased amortization related to website development costs.

Amortization of Intangible Assets

	Three Months Ended March 31,	
	2014	2013
	(in millions)	
Amortization of intangible assets	\$ 2	\$ 1
% of revenue	0.7%	0.4%

Amortization of intangible assets did not materially change during the three months ended March 31, 2014 when compared to the same period in 2013.

Interest Expense

Interest expense primarily consists of interest incurred, commitment fees and debt issuance cost amortization related to our Credit Agreement and Chinese Credit Facilities.

	Three Months Ended March 31,	
	2014	2013
	(in millions)	
Interest expense	\$ (2)	\$ (3)

The decrease in interest expense is primarily due to a lower outstanding borrowing amount and effective interest rate during the three months ended March 31, 2014 over the same period during 2013 related to our Term Loan. Refer to “Note 6— *Debt*” in the notes to our Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q for additional information on our outstanding borrowing facilities.

Interest Income and Other, Net

Interest income and other, net primarily consists of interest earned and amortization of discounts and premiums on our marketable securities and net foreign exchange gains and losses.

	Three Months Ended	
	March 31,	
	2014	2013
	(in millions)	
Interest income and other, net	\$ -	\$ (1)

Interest income and other, net did not materially change during the three months ended March 31, 2014 when compared to the same period in 2013. Our interest income is primarily due to investing in marketable securities. Refer to “Note 4— *Financial Instruments*” in the notes to our Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q for additional information on our current investment portfolio as of March 31, 2014.

Provision for Income Taxes

	Three Months Ended	
	March 31,	
	2014	2013
	(in millions)	
Provision for income taxes	\$ 26	\$ 22
Effective tax rate	27.7%	26.2%

For the three months ended March 31, 2014, the effective tax rate is less than the federal statutory tax rate primarily due to earnings in jurisdictions outside the United States, where our effective tax rate is lower, which was partially offset by state income taxes, non-deductible stock compensation and accruals on uncertain tax positions. The change in the effective tax rate for 2014 compared to the 2013 rate was primarily due to a change in jurisdictional earnings.

Related Party Transactions

For information on our relationship with Liberty Interactive Corporation, refer to “Note 12— *Related Party Transactions*” in the notes to our Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Stock-Based Compensation

Refer to “Note 3— *Stock Based Awards and Other Equity Instruments*” in the notes to our Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q for further information on current year equity award activity, including the issuance of 476,826 primarily service based stock options with a weighted average grant-date fair value per option of \$47.36 and 459,999 RSU’s with a weighted average grant-date fair value of \$96.34 during the three months ended March 31, 2014.

Liquidity and Capital Resources

The following section explains how we have generated and used our cash historically, describes our current capital resources and discusses our future financial commitments.

Sources and Uses of Cash

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

	Three Months Ended	
	March 31,	
	2014	2013
	(in millions)	
Net cash provided by (used in):		
Operating activities	\$ 109	\$ 44
Investing activities	(127)	(179)
Financing activities	(14)	(19)

Our principal source of liquidity is cash flows generated from operations, although liquidity needs can also be met through drawdowns under our credit facilities discussed in “Note 6 – Debt” in the notes to our Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q. As of March 31, 2014 and December 31, 2013, we had \$745 million and \$670 million of cash, cash equivalents and short and long-term available-for-sale marketable securities. As of March 31, 2014 approximately \$485 million of our cash, cash equivalents and short and long-term marketable securities are held by our international subsidiaries, primarily in the United Kingdom, and are related to earnings we intend to reinvest permanently outside the United States. Cumulative undistributed earnings of foreign subsidiaries that we intend to indefinitely reinvest outside of the United States totaled approximately \$520 million as of March 31, 2014. Should we distribute, or be treated under certain U.S. tax rules as having distributed, the earnings of foreign subsidiaries in the form of dividends or otherwise, we may be subject to U.S. income taxes. Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable because of the complexities of the hypothetical calculation. Cash held is primarily denominated in U.S. dollars.

Historically, the cash we generate from operations has been sufficient to fund our working capital requirements, capital expenditures and to meet our long term debt obligations and other financial commitments. Management believes that our cash and cash equivalents and available for sale marketable securities, combined with expected cash flows generated by operating activities and available cash from our credit facilities will be sufficient to fund our ongoing working capital requirements, capital expenditures, business growth initiatives, meet our long term debt obligations and other financial commitments, fund our new corporate lease obligations, share repurchases and fund any potential acquisitions for at least the next twelve months. However, if during that period or thereafter, we are not successful in generating sufficient cash flow from operations or in raising additional capital when required in sufficient amounts and on terms acceptable to us, we may be required to reduce our planned capital expenditures and scale back the scope of our business growth initiatives, either of which could have a material adverse effect on our future financial condition or results of operations.

Operating Activities

For the three months ended March 31, 2014, net cash provided by operating activities increased by \$65 million or 148% when compared to the same period in 2013, primarily due to an increase in working capital movements of \$61 million mainly related to an increase in operating cash flow from deferred merchant payables of \$29 million, with the remaining increase related to the timing of customer receipts, income tax payments, vendor payments and growth in our business.

Investing Activities

For the three months ended March 31, 2014, net cash used in investing activities decreased by \$52 million when compared to the same period in 2013, primarily due to a net decrease in cash used for the purchases, sales and maturities of our marketable securities of \$62 million, which was partially offset by an increase in capital expenditures of \$11 million when compared against 2013.

Financing Activities

For the three months ended March 31, 2014, net cash used in financing activities decreased by \$5 million when compared to the same period in 2013 primarily due to an increase of \$10 million in excess tax benefits related to stock compensation and a \$15 million repayment of our outstanding borrowings on our Chinese Credit Facilities in 2013. This was offset by a reduction in proceeds from the exercise of our stock options of \$4 million, due to the introduction in the third quarter of 2013 of the net share settlement of our stock options, an increase in payments of minimum withholding taxes related to net share settlement of equity awards of \$13 million, and a \$3 million repayment of our outstanding borrowings on our Chinese Credit Facilities in 2014.

Contractual Obligations, Commercial Commitments and Off-Balance Sheet Arrangements

There have been no material changes outside the normal course of business to our contractual obligations and commercial commitments since December 31, 2013. Refer to “Contractual Obligations, Commercial Commitments and Off-Balance Sheet Arrangements” in Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2013.

Off-Balance Sheet Arrangements

As of March 31, 2014, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K of the SEC, that have, or are reasonably likely to have, a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Contingencies

In the ordinary course of business, we and our subsidiaries are parties to legal proceedings and claims involving alleged infringement of third-party intellectual property rights, defamation, and other claims. Rules of 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 the Company and its subsidiaries 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 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk Management

We are exposed to certain market risks, including changes in interest rates and foreign currency exchange rates that could adversely affect our results of operations or financial condition. We manage our exposure to these risks through established policies and procedures and by assessing the anticipated near-term and long-term fluctuations in interest rates and foreign currency exchange rates. Our objective is to mitigate potential income statement, cash flow and market exposures from changes in interest and foreign exchange rates.

There has been no material change in our market risk profile during the three months ended March 31, 2014. For additional information, see “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, 2013.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2014, our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Based upon that evaluation, our President and Chief Executive Officer and our Chief Financial Officer concluded that, as of March 31, 2014, 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 SEC’s rules and forms, including ensuring that such material information is accumulated and communicated to our management, including our President and Chief Executive Officer 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, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we and our subsidiaries are parties to legal proceedings and claims involving alleged infringement of third-party intellectual property rights, defamation, and other claims. Rules of 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 TripAdvisor and our subsidiaries 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

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A., "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013 which could materially affect our business, financial condition or future results. During the quarter ended March 31, 2014, there have been no material changes in our risk factors from those disclosed in Part 1, Item 1A., "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

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

Unregistered Sales of Equity Securities

During the quarter ended March 31, 2014, 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

We did not repurchase any shares of our common stock during the quarter ended March 31, 2014.

In February 2013, we announced that our Board of Directors authorized the repurchase of \$250 million of our shares of common stock under a share repurchase program. We have in the past, and intend to use in the future, available cash from operations to fund repurchases under the share repurchase program. The repurchase program has no expiration date but may be suspended or terminated by the Board of Directors at any time. The Executive Committee of our Board of Directors will determine the price, timing, amount and method of such repurchases based on its evaluation of market conditions and other factors, and any shares repurchased will be in compliance with applicable legal requirements, at prices determined to be attractive and in the best interests of both the company and its stockholders. As of March 31, 2014, we have \$105 million remaining to repurchase shares of our common stock under this share repurchase program.

Item 4. Mine Safety Disclosures

Not applicable.

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*	Employment Agreement between TripAdvisor LLC and Julie Bradley, effective as of March 31, 2014	X				
10.2*	Employment Agreement between TripAdvisor LLC and Seth Kalvert, effective as of March 31, 2014	X				
10.3*	Employment Agreement between TripAdvisor LLC and Stephen Kaufer, effective as of March 31, 2014	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	The following financial statements from the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2014, formatted in XBRL: (i) Unaudited Consolidated Statements of Operations, (ii) Unaudited Consolidated Statements of Comprehensive Income, (iii) Unaudited Consolidated Balance Sheets, (iv) Unaudited Consolidated Statement of Changes in Stockholders' Equity, (v) Unaudited Consolidated Statements of Cash Flows, and (vi) Notes to Unaudited Consolidated Financial Statements.	X				

* Indicates a management contract or 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/ JULIE M.B. B RADLEY
Julie M.B. Bradley
Chief Financial Officer

May 6, 2014

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is entered into by and between Julie Bradley (“Executive”) and TripAdvisor LLC, a Delaware limited liability company (the “Company”), and is effective as of March 31, 2014 (the “Effective Date”).

WHEREAS, the Company desires to establish its right to the services of Executive, in the capacity described below, on the terms and conditions hereinafter set forth, and Executive is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Executive and the Company have agreed and do hereby agree as follows:

1A. EMPLOYMENT. The Company agrees to employ Executive as Chief Financial Officer of the Company and Executive accepts and agrees to such employment. During Executive’s employment with the Company, Executive shall perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Executive’s position and shall render such services on the terms set forth herein. During Executive’s employment with the Company, Executive shall report directly to the Chief Executive Officer of the Company or such other person(s) as from time to time may be designated by the Company (hereinafter referred to as the “Reporting Officer”). Executive shall have such powers and duties with respect to the Company as may reasonably be assigned to Executive by the Reporting Officer, to the extent consistent with Executive’s position and status. Executive agrees to devote substantially all of Executive’s working time, attention and efforts to the Company and shall perform the duties of Executive’s position in accordance with the Company’s policies as in effect from time to time. Executive’s principal place of employment shall be the Company’s offices located in Newton, Massachusetts and at such time, any successor headquarters, including in Needham, Massachusetts.

2A. TERM OF AGREEMENT. The term (the “Term”) of this Agreement shall commence on the Effective Date and shall continue through the second anniversary of the Effective Date, unless sooner terminated in accordance with the provisions of Section 1 of the Standard Terms and Conditions attached hereto.

3A. COMPENSATION.

(a) BASE SALARY. During the Term, the Company shall pay Executive an annual base salary of \$397,000 (the “Base Salary”), payable in equal biweekly installments or in accordance with the Company’s payroll practice as in effect from time to time. For all purposes under this Agreement, the term “Base Salary” shall refer to Base Salary as in effect from time to time. Executive’s Base Salary shall be reviewed at least annually by the Compensation Committee of the Board (the “Compensation Committee”) and may be increased but not decreased.

(b) ANNUAL BONUS. During the Term, Executive shall be eligible to receive annual bonuses, as determined by, and at the sole discretion of, the Compensation Committee, with an annual target bonus equal to 66% of Base Salary, with amounts, if any, for any partial year payable on a *pro rata* basis. Any such annual bonus shall be paid not later than March 15 of the calendar year immediately following the calendar year with respect to which such annual bonus relates (unless Executive has elected to defer receipt of such bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). If Executive is expected to be a “covered employee” in any given year for purposes of Section 162(m) of the Code, the annual bonus will be determined by the Compensation Committee in its sole discretion, and will be based on such criteria (i) as are approved in advance by such Compensation Committee and (ii) that are designed in a manner such that the annual bonus will be treated as “qualified performance-based compensation” within the meaning of Section 162(m).

(c) BENEFITS. During the Term, from the Effective Date through the date of termination of Executive’s employment with the Company for any reason, Executive shall be entitled to participate in any welfare, health and life insurance and pension benefit and incentive programs as may be adopted from time to time by the Company on the same basis as that provided to senior executives of the Company generally. Without limiting the generality of the foregoing, Executive shall be entitled to the following benefits:

(i) Reimbursement for Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable and necessary expenses incurred by Executive in performing Executive’s duties for the Company, on the same basis as senior executives of the Company generally and in accordance with the Company’s policies as in effect from time to time.

(ii) Vacation. During the Term, Executive shall be entitled to annual paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to senior executives of the Company generally.

4A. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested, by reputable overnight courier service (charges prepaid) or hand delivery acknowledged in writing by the recipient personally, and shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

If to the Company: 141 Needham Street
Newton, MA 02464
Attention: General Counsel

If to Executive: At the most recent address on record at the Company for Executive.

Either party may change such party's address for notices by notice duly given pursuant hereto.

5A. GOVERNING LAW; JURISDICTION. This Agreement and the legal relations thus created between the parties hereto shall be governed by and construed under and in accordance with the internal laws of the Commonwealth of Massachusetts without reference to the principles of conflicts of laws. Any and all disputes between the parties which may arise pursuant to this Agreement will be heard and determined before an appropriate federal court in Massachusetts, or, if not maintainable therein, then in an appropriate Massachusetts state court. The parties acknowledge that such courts have jurisdiction to interpret and enforce the provisions of this Agreement, and the parties consent to, and waive any and all objections that they may have as to, personal jurisdiction and/or venue in such courts.

6A. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. Executive and the Company expressly understand and acknowledge that the Standard Terms and Conditions attached hereto are incorporated herein by reference, deemed a part of this Agreement and are binding and enforceable provisions of this Agreement. References to "this Agreement" or the use of the term "hereof" shall refer to this Agreement and the Standard Terms and Conditions attached hereto, taken as a whole.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and Executive has executed and delivered this Agreement.

TRIPADVISOR, LLC

By: /s/ Seth Kalvert

Title: SVP, General Counsel and Secretary

/s/ Julie Bradley

Julie Bradley

STANDARD TERMS AND CONDITIONS

1. TERMINATION OF EXECUTIVE'S EMPLOYMENT.

(a) DEATH. Upon termination of Executive's employment prior to the expiration of the Term by reason of Executive's death, the Company shall pay the duly appointed representative of the Executive's estate, within 30 days of Executive's death in a lump sum in cash, (i) Executive's Base Salary from the date of Executive's death through the end of the month in which Executive's death occurs and (ii) any Accrued Obligations (as defined in Section 1(f) below).

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness ("Disability"), Executive shall have been absent from the full-time performance of Executive's duties with the Company for a period of four consecutive months and, within 30 days after written notice is provided to Executive by the Company (in accordance with Section 4A of the Employment Agreement), Executive shall not have returned to the full-time performance of Executive's duties, Executive's employment under this Agreement may be terminated by the Company for Disability. During any period prior to such termination during which Executive is absent from the full-time performance of Executive's duties with the Company due to Disability, the Company shall continue to pay Executive's Base Salary at the rate in effect at the commencement of such period of Disability, offset by any amounts payable during such period to Executive under any disability insurance plan or policy provided by the Company. Upon termination of Executive's employment due to Disability, the Company shall pay Executive within 30 days of such termination (i) Executive's Base Salary through the end of the month in which Executive's termination of employment for Disability occurs in equal biweekly installments, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company; and (ii) any Accrued Obligations in a lump sum in cash.

(c) TERMINATION FOR CAUSE; RESIGNATION WITHOUT GOOD REASON. The Company may terminate Executive's employment under this Agreement with or without Cause at any time and Executive may resign under this Agreement with or without Good Reason at any time. As used herein, "Cause" shall mean: (i) the plea of guilty or nolo contendere to, or conviction for, a felony offense by Executive; provided, however, that after indictment, the Company may suspend Executive from the rendition of services, but without limiting or modifying in any other way the Company's obligations under this Agreement; (ii) a material breach by Executive of a fiduciary duty owed to TripAdvisor, Inc., the parent company of the Company ("TripAdvisor"), the Company or any of its subsidiaries; (iii) a material breach by Executive of any of the covenants made by Executive in Section 2 hereof; (iv) the willful or gross neglect by Executive of the material duties required by this Agreement; or (v) a knowing and material violation by Executive of any TripAdvisor or Company policy pertaining to ethics, legal compliance, wrongdoing or conflicts of interest that, in the case of the conduct described in clauses (iv) or (v) above, if curable, is not cured by Executive within 30 days after Executive is provided with written notice thereof. Upon Executive's (A) termination of employment by the Company for Cause prior to the expiration of the Term or (B) resignation without Good Reason prior to the expiration of the Term, this Agreement shall terminate without further obligation by the Company, except for (i) the payment of any Accrued Obligations in a lump sum in cash within 30 days of such termination and (ii) the taking of all proper action required to be taken with respect to the Equity Awards vested as of the date of such termination.

(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 longer 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;

(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 a 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);

(iv) any compensation awards of Executive based on, or in the form of, TripAdvisor equity (e.g. restricted stock, restricted stock units, stock options or similar instruments) (“Equity Awards”) that are outstanding and unvested at the time of such termination but which would, but for a termination of employment, have vested during the 12 months following such termination (such period, the “Equity Acceleration Period”) shall vest (and, with respect to awards other than stock options and stock appreciation rights, settle) as of the date of such termination of employment; provided that any outstanding Equity Award with a vesting schedule that would, but for a termination of employment, have resulted in a smaller percentage (or none) of the Equity Award being vested through the end of such Equity Acceleration Period than if it vested annually pro rata over its vesting period shall, for purposes of this provision, be treated as though it vested annually pro rata over its vesting period (e.g., if 100 restricted stock units (“RSUs”) were granted 2.7 years prior to the date of the termination and vested pro rata on each of the first five anniversaries of the grant date and 100 RSUs were granted 1.7 years prior to the date of termination and vested 100% on the fifth anniversary of the grant date, then on the date of termination 20 RSUs from the first award and 40 RSUs from the second award would vest and settle); provided further that any amount that would vest under this provision but for the fact that outstanding performance conditions have not been satisfied shall vest (and, with respect to awards other than stock options and stock appreciation rights, settle) only if, and at such point as, such performance conditions are satisfied; and provided further that if any Equity Awards made subsequent to the Effective Date of this Agreement specifies a more favorable post-termination vesting schedule for such equity, the terms of the award agreement for such Equity Award shall govern; and

(v) any then vested options of Executive (including options vesting as a result of (iv) above) 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). 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.

As used herein, “Good Reason” shall mean the occurrence of any of the following without Executive’s prior written consent: (A) the Company’s material breach of any material provision of this Agreement, (B) the material reduction in Executive’s title, duties, reporting responsibilities or level of responsibilities as Chief Financial Officer of the Company, (C) the material reduction in Executive’s Base Salary or Executive’s total annual compensation opportunity, or (D) the relocation of Executive’s principal place of employment more than 20 miles outside the Boston metropolitan area, provided that in no event shall Executive’s resignation be for “Good Reason” unless (x) an event or circumstance set forth in clauses (A) through (D) shall have occurred and Executive provides the Company with written notice thereof within 30 days after Executive has knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that Executive believes constitutes Good Reason, (y) the Company fails to correct the circumstance or event so identified within 30 days after receipt of such notice, and (z) Executive resigns within 90 days after the date of delivery of the notice referred to in clause (x) above.

(e) OFFSET. If Executive obtains other employment during the Salary Continuation Period, any payments (other than Accrued Obligations) to be made to Executive under Section 1(d) after the date such employment is secured shall be offset by the amount of any cash compensation earned by Executive from such employment during the Salary Continuation Period. For purposes of this Section 1(e), Executive shall have an obligation to inform the Company regarding Executive’s employment status following termination and during the Salary Continuation Period, but shall have no affirmative duty to seek alternate employment.

(f) ACCRUED OBLIGATIONS. As used in this Agreement, “Accrued Obligations” shall mean the sum of (i) any portion of Executive’s accrued and earned but unpaid Base Salary through the date of death or termination of employment for any reason, as the case may be; (ii) any compensation previously earned but deferred by Executive (together with any interest or earnings thereon) that has not yet been paid and that is not otherwise paid at a later date pursuant to any deferred compensation arrangement of the Company to which Executive is a party, if any (provided, that any election made by Executive pursuant to any deferred compensation arrangement that is subject to Section 409A regarding the schedule for payment of such deferred compensation shall prevail over this Section 1(f) to the extent inconsistent herewith); and (iii) other than in the event of Executive’s resignation without Good Reason or termination by the Company for Cause (except as required by applicable law), any portion of Executive’s accrued but unpaid vacation pay through the date of death or termination of employment.

(g) 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).

(h) SECTION 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), including any regulations and guidance issued thereunder (“Section 409A”), to the extent Section 409A is applicable to this Agreement. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be interpreted, operated and administered by the Company in a manner consistent with such intention and to avoid the pre-distribution inclusion in income of amounts deferred under this Agreement and the imposition of any additional tax or interest with respect thereto.

Notwithstanding the preceding provisions of Section 1(d), in the event that Executive is a “specified employee” (within the meaning of Section 409A) on the date of termination of Executive’s employment with the Company and the Cash Severance Payments payable within the first six months following such date (the “Initial Payment Period”) exceed the amount referenced in Treas. Regs. Section 1.409A-1(b)(9)(iii)(A) (the “Limit”), then (1) any portion of the Cash Severance Payments that is a “short-term deferral” within the meaning of Treas. Regs. Section 1.409A-1(b)(4)(i) shall be paid at the times set forth in Section 1(d) or (e), as applicable, (2) any portion of the Cash Severance Payments (in addition to the amounts contemplated by the immediately preceding clause (1)) that is payable during the Initial Payment Period that does not exceed the Limit shall be paid at the times set forth in Section 1(d), as applicable, (3) any portion of the Cash Severance Payments that exceeds the Limit and is not a “short-term deferral” (“Deferred Payments”) (and would have been payable during the Initial Payment Period but for the Limit) shall be paid, with Interest, on the first business day of the first calendar month that begins after the six-month anniversary of Executive’s “separation from service” (within the meaning of Section 409A) and (4) any portion of the Cash Severance Payments that is payable after the Initial Payment Period shall be paid at the times set forth in Section 1(d), as applicable. For purposes of this Agreement, “Interest” shall mean interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code, from the date on which payment would otherwise have been made but for any required delay through the date of payment, and each installment of Cash Severance Payment payable under Section 1(d) is intended to constitute a separate payment for the purposes of Treas. Regs. Section 1.409A-2(b)(2).

All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(i) SECTION 280G. Notwithstanding any other provisions of this Agreement, or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Executive or for Executive’s benefit pursuant to the terms of this Agreement or otherwise (“Covered Payments”) constitute “parachute payments” within the meaning of Section 280G of the Code and would, but for this Section 1(i) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the “Excise Tax”), then the following shall apply:

(i) If the Covered Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by Executive on the amount of the Covered Payments which are in excess of three times Executive’s “base amount” within the meaning of Section 280(G) of the Code less one dollar (the “Threshold Amount”), are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(ii) If the Threshold Amount is less than (1) the Covered Payments, but greater than (2) the Covered Payments reduced by the sum of (x) the Excise Tax and (y) the total of the Federal, state, and local income and employment taxes on the amount of the Covered Payments which are in excess of the Threshold Amount, then the Covered Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Covered Payments shall not exceed the Threshold Amount. In such event, the Covered Payments shall be reduced in the following order: (A) cash payments not subject to Section 409A; (B) cash payments subject to Section 409A; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

The determination as to which of the alternative provisions of Section 1(j) shall apply to Executive shall be made by an independent nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Section 1(j) shall apply, Executive shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

2. CONFIDENTIAL INFORMATION; NON-COMPETITION; NON-SOLICITATION; AND PROPRIETARY RIGHTS.

(a) CONFIDENTIALITY. Executive acknowledges that while employed by the Company Executive will occupy a position of trust and confidence. The Company has provided and shall continue to provide Executive with Confidential Information. Executive shall hold in a fiduciary capacity for benefit of the Company and its subsidiaries and affiliates, and shall not, except as may be required to perform Executive's duties hereunder or as required by applicable law, without limitation in time, communicate, divulge, disseminate, disclose to others or otherwise use, whether directly or indirectly, any Confidential Information. "Confidential Information" shall mean information about the Company or any of its subsidiaries or affiliates, and their respective businesses, employees, consultants, contractors, suppliers, clients and customers that is not disclosed by the Company or any of its subsidiaries or affiliates for financial reporting purposes and that was learned by Executive in the course of employment by the Company or any of its subsidiaries or affiliates, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, processes, methods, research, secret data, costs, names of users or purchasers of their respective products or services, business methods, operating procedures or programs or methods of promotion and sale, information relating to accounting or tax strategies and data, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information. For purposes of this Section 2(a), information shall not cease to be Confidential Information merely because it is embraced by general disclosures for financial reporting purposes or because individual features or combinations thereof are publicly available. Notwithstanding the foregoing provisions, if Executive is required to disclose any such confidential or proprietary information pursuant to applicable law or a subpoena or court order, Executive shall promptly notify the Company in writing of any such requirement so that the Company may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions hereof. Executive shall reasonably cooperate with the Company to obtain such a protective order or other remedy. If such order or other remedy is not obtained prior to the time Executive is required to make the disclosure, or the Company waives compliance with the provisions hereof, Executive shall disclose only that portion of the confidential or proprietary information which he is advised by counsel that he is legally required to so disclose. Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries or affiliates, and that such information gives the Company and its subsidiaries or affiliates a competitive advantage. Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of Executive's employment, all documents, computer tapes and disks, plans, initiatives, strategies, records, lists, data, drawings, prints, notes and written information (and all copies thereof) created by or on behalf of the Company or its subsidiaries or affiliates or prepared by Executive in the course of Executive's employment by the Company and its subsidiaries or affiliates. As used in this Agreement, "subsidiaries" and "affiliates" shall mean any company that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the Company. The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(b) NON-COMPETITION. In consideration of the Company's promise to disclose, and disclosure of, its Confidential Information and other good and valuable consideration provided hereunder, the receipt and sufficiency of which are hereby acknowledged by Executive, Executive hereby agrees and covenants that from the date hereof and until the longer of (i) the last day of the Term and (ii) a period of 12 months beyond Executive's date of termination of employment from the Company or any of its subsidiaries or affiliates for any reason, including the expiration of the Term (the "Restricted Period"), Executive shall not, directly or indirectly, engage in, assist or become associated with a Competitive Activity. For purposes of this Section 2(b): (i) a

“Competitive Activity” means, at the time of Executive’s termination, any business or other endeavor in any jurisdiction of a kind being conducted by the Company or any of its subsidiaries or affiliates (or demonstrably anticipated by the Company or its subsidiaries or affiliates and, for avoidance of doubt, such affiliates to exclude Expedia, Inc., Liberty Media Corporation or Liberty Interactive Corporation or any of their respective subsidiaries), in any jurisdiction as of the Effective Date or at any time thereafter; and (ii) Executive shall be considered to have become “associated with a Competitive Activity” if Executive becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, advisor, lender, or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity. Notwithstanding the foregoing, (i) Executive may make and retain investments during the Restricted Period, for investment purposes only, in less than 5% of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if Executive is not otherwise affiliated with such corporation; (ii) Executive may serve as an employee or partner (or otherwise invest or hold an ownership interest) in an investment firm that has an ownership interest in a partnership, corporation or other organization that is engaged in a Competitive Activity, provided that such ownership interest does not constitute greater than 20% of such investment firm’s total assets under management and Executive is not directly involved with the provision of direction or management of such entity engaged in the Competitive Activity, including the investment decisions thereof; and (iii) Executive may serve as an employee of or partner (or otherwise hold an ownership interest) in a consultancy or investment bank engaged in providing advisory services to entities engaged in Competitive Activities, provided that Executive is not directly involved in the provision of the advisory services to such entities engaged in the Competitive Activity. Notwithstanding the foregoing, to the extent that, solely due to a change in scope of the business of the Company or any of its subsidiaries or affiliates (e.g., by virtue of an acquisition or strategic change), Executive has become “associated with a Competitive Activity” (i.e., for purposes of clarity, Executive’s activity prior to such change in scope was permissible under this Section 2(b)), then Executive shall have a reasonable period of time, not to exceed 12 months, to cure such association with a Competitive Activity, including by resignation (if personal services), liquidation or unwinding (if investment-related) or eliminating any activity or involvement with such entity engaged in the Competitive Activity, in all cases on such terms as are reasonably acceptable to the Company.

(c) NON-SOLICITATION OF EMPLOYEES. Executive recognizes that he or she will possess Confidential Information about other employees, officers, directors, agents, consultants and independent contractors of the Company and its subsidiaries or affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with suppliers to and customers of the Company and its subsidiaries or affiliates. Executive recognizes that the information he or she will possess about these employees, officers, directors, agents, consultants and independent contractors is not generally known, is of substantial value to the Company and its subsidiaries or affiliates in developing their respective businesses and in securing and retaining customers, and will be acquired by Executive because of Executive’s business position with the Company. Executive agrees (i) that, during the Restricted Period, Executive will not, directly or indirectly, hire or solicit or recruit the employment or services of (i.e., whether as an employee, officer, director, agent, consultant or independent contractor), or encourage to change such person’s relationship with the Company or any of its subsidiaries or affiliates, any employee, officer, director, agent, consultant or independent contractor of the Company or any of its subsidiaries or affiliates, provided, however, that a general solicitation of the public for employment (and any hiring pursuant thereto) shall not constitute a solicitation hereunder so long as such general solicitation is not designed to target, or does not have the effect of targeting, any employee, officer, director, agent, consultant or independent contractor of the Company or any of its subsidiaries or affiliates, provided, further, that the hiring, solicitation or engagement (i.e., on a non-exclusive basis) of third-party professional advisors (e.g., law firms, accountancies) shall not constitute recruitment hereunder and (ii) that Executive will not convey any Confidential Information or trade secrets about any employees, officers, directors, agents, consultants and independent contractors of the Company or any of its subsidiaries or affiliates to any other person except within the scope of Executive’s duties hereunder.

(d) NON-SOLICITATION OF CUSTOMERS, SUPPLIERS, PARTNERS. During the Restricted Period, Executive shall not, without the prior written consent of the Company, directly or indirectly, solicit, attempt to do business with, or do business with any customers of, suppliers (including providers of travel inventory) to, business partners of or business affiliates of the Company or any of its subsidiaries or affiliates (collectively, “Trade Relationships”) on behalf of any entity engaged in a Competitive Activity, or encourage (regardless of who initiates the contact) any Trade Relationship to use the services of any competitor of the Company or its subsidiaries or affiliates, or encourage any Trade Relationship to change its relationship with the Company or its subsidiaries or affiliates.

(e) PROPRIETARY RIGHTS; ASSIGNMENT. All Executive Developments (as defined below) shall be made for hire by Executive for the Company or any of its subsidiaries or affiliates. “Executive Developments” means any idea, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other work or authorship, in each case, (i) that (A) relates to the business or operations of the Company or any of its subsidiaries or affiliates, or (B) results from or is suggested by any undertaking assigned to Executive or work performed by Executive for or on behalf of the Company or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours and (ii) that is conceived or developed during the Term. All Confidential Information and all Executive Developments shall remain the sole property

of the Company or any of its subsidiaries or affiliates. Executive shall acquire no proprietary interest in any Confidential Information or Executive Developments developed or acquired during the Term. To the extent Executive may, by operation of law or otherwise, acquire any right, title or interest in or to any Confidential Information or Executive Development, Executive hereby assigns to the Company all such proprietary rights. Executive shall, both during and after the Term, upon the Company's request, promptly execute and deliver to the Company all such assignments, certificates and instruments, and shall promptly perform such other acts, as the Company may from time to time in its reasonable discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's rights in Confidential Information and Executive Developments.

(f) **COMPLIANCE WITH POLICIES AND PROCEDURES.** During the Term, Executive shall adhere to the policies and standards of professionalism set forth in the Company's Policies and Procedures as they may exist from time to time.

(g) **REMEDIES FOR BREACH.** Executive expressly agrees and understands that Executive will notify the Company in writing of any alleged breach of this Agreement by the Company, and the Company will have 30 days from receipt of Executive's notice to cure any such breach. Executive expressly agrees and understands that the remedy at law for any breach by Executive of this Section 2 will be inadequate and that damages flowing from such breach are not usually susceptible to being measured in monetary terms. Accordingly, it is acknowledged that upon Executive's violation of any provision of this Section 2 the Company shall be entitled to obtain from any court of competent jurisdiction immediate injunctive relief and obtain a temporary order restraining any threatened or further breach as well as an equitable accounting of all profits or benefits arising out of such violation. Nothing in this Section 2 shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Section 2, which may be pursued by or available to the Company.

(h) **SURVIVAL OF PROVISIONS.** The obligations contained in this Section 2 shall, to the extent provided in this Section 2, survive the termination or expiration of Executive's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 2 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

3. **MERGER.** This Agreement constitutes the entire agreement between the parties and terminates and supersedes any and all prior agreements and understandings (whether written or oral) between the parties with respect to the subject matter of this Agreement. Executive acknowledges and agrees that neither the Company nor anyone acting on its behalf has made, and is not making, and in executing this Agreement, Executive has not relied upon, any representations, promises or inducements except to the extent the same is expressly set forth in this Agreement. All Stock Option Agreements and Restricted Stock Unit Agreements between Executive and the Company survive and are hereby incorporated by reference into this Agreement.

4. **ASSIGNMENT; SUCCESSORS.** This Agreement is personal in its nature and none of the parties hereto shall, without the consent of the others, assign or transfer this Agreement or any rights or obligations hereunder, provided that, in the event of a transfer of Executive to any entity affiliated with the Company and/or the merger, consolidation, transfer, or sale of all or substantially all of the assets of the Company with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder, and all references herein to the "Company" shall refer to such successor, provided, further, that Executive's estate and duly appointed representative thereof shall succeed to all of Executive's rights hereunder upon Executive's death and that Executive's duly appointed representative shall succeed to all of Executive's rights upon Executive's Disability.

5. **WITHHOLDING.** The Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to Executive hereunder, as may be required from time to time by applicable law, governmental regulation or order.

6. **HEADING REFERENCES.** Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. References to "this Agreement" or the use of the term "hereof" shall refer to these Standard Terms and Conditions and the Employment Agreement attached hereto, taken as a whole.

7. **WAIVER; MODIFICATION.** Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect, or extended beyond expiration of the Term (regardless of continued employment), except by a writing executed by each party hereto. Notwithstanding anything to the contrary herein, neither the assignment of Executive to a different Reporting Officer due to a reorganization or an internal

restructuring of the Company or its affiliated companies nor a change in the title of the Reporting Officer shall constitute a modification or a breach of this Agreement.

8. SEVERABILITY. In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Agreement that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Agreement.

ACKNOWLEDGED AND AGREED AS OF THE EFFECTIVE DATE:

TRIPADVISOR LLC

By: /s/ Seth Kalvert
Title: SVP, General Counsel and Secretary

/s/ Julie Bradley
Julie Bradley

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between Seth Kalvert ("Executive") and TripAdvisor LLC, a Delaware limited liability company (the "Company"), and is effective as of March 31, 2014 (the "Effective Date").

WHEREAS, the Company desires to establish its right to the services of Executive, in the capacity described below, on the terms and conditions hereinafter set forth, and Executive is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Executive and the Company have agreed and do hereby agree as follows:

1A. EMPLOYMENT. The Company agrees to employ Executive as Senior Vice President, General Counsel and Secretary of the Company and Executive accepts and agrees to such employment. During Executive's employment with the Company, Executive shall perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Executive's position and shall render such services on the terms set forth herein. During Executive's employment with the Company, Executive shall report directly to the Chief Executive Officer of the Company or such other person(s) as from time to time may be designated by the Company (hereinafter referred to as the "Reporting Officer"). Executive shall have such powers and duties with respect to the Company as may reasonably be assigned to Executive by the Reporting Officer, to the extent consistent with Executive's position and status. Executive agrees to devote substantially all of Executive's working time, attention and efforts to the Company and shall perform the duties of Executive's position in accordance with the Company's policies as in effect from time to time. Executive's principal place of employment shall be the Company's offices located in Newton, Massachusetts and at such time, any successor headquarters, including in Needham, Massachusetts.

2A. TERM OF AGREEMENT. The term (the "Term") of this Agreement shall commence on the Effective Date and shall continue through the second anniversary of the Effective Date, unless sooner terminated in accordance with the provisions of Section 1 of the Standard Terms and Conditions attached hereto.

3A. COMPENSATION.

(a) BASE SALARY. During the Term, the Company shall pay Executive an annual base salary of \$385,000 (the "Base Salary"), payable in equal biweekly installments or in accordance with the Company's payroll practice as in effect from time to time. For all purposes under this Agreement, the term "Base Salary" shall refer to Base Salary as in effect from time to time. Executive's Base Salary shall be reviewed at least annually by the Compensation Committee of the Board (the "Compensation Committee") and may be increased but not decreased.

(b) ANNUAL BONUS. During the Term, Executive shall be eligible to receive annual bonuses, as determined by, and at the sole discretion of, the Compensation Committee, with an annual target bonus equal to 50% of Base Salary, with amounts, if any, for any partial year payable on a *pro rata* basis. Any such annual bonus shall be paid not later than March 15 of the calendar year immediately following the calendar year with respect to which such annual bonus relates (unless Executive has elected to defer receipt of such bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")). If Executive is expected to be a "covered employee" in any given year for purposes of Section 162(m) of the Code, the annual bonus will be determined by the Compensation Committee in its sole discretion, and will be based on such criteria (i) as are approved in advance by such Compensation Committee and (ii) that are designed in a manner such that the annual bonus will be treated as "qualified performance-based compensation" within the meaning of Section 162(m).

(c) BENEFITS. During the Term, from the Effective Date through the date of termination of Executive's employment with the Company for any reason, Executive shall be entitled to participate in any welfare, health and life insurance and pension benefit and incentive programs as may be adopted from time to time by the Company on the same basis as that provided to senior executives of the Company generally. Without limiting the generality of the foregoing, Executive shall be entitled to the following benefits:

(i) Reimbursement for Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable and necessary expenses incurred by Executive in performing Executive's duties for the Company, on the same basis as senior executives of the Company generally and in accordance with the Company's policies as in effect from time to time.

(ii) Vacation. During the Term, Executive shall be entitled to annual paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to senior executives of the Company generally.

4A. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested, by reputable overnight courier service (charges prepaid) or hand delivery acknowledged in writing by the recipient personally, and shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

If to the Company: 141 Needham Street
Newton, MA 02464
Attention: Chief Executive Officer

If to Executive: At the most recent address on record at the Company for Executive.

Either party may change such party's address for notices by notice duly given pursuant hereto.

5A. GOVERNING LAW; JURISDICTION. This Agreement and the legal relations thus created between the parties hereto shall be governed by and construed under and in accordance with the internal laws of the Commonwealth of Massachusetts without reference to the principles of conflicts of laws. Any and all disputes between the parties which may arise pursuant to this Agreement will be heard and determined before an appropriate federal court in Massachusetts, or, if not maintainable therein, then in an appropriate Massachusetts state court. The parties acknowledge that such courts have jurisdiction to interpret and enforce the provisions of this Agreement, and the parties consent to, and waive any and all objections that they may have as to, personal jurisdiction and/or venue in such courts.

6A. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. Executive and the Company expressly understand and acknowledge that the Standard Terms and Conditions attached hereto are incorporated herein by reference, deemed a part of this Agreement and are binding and enforceable provisions of this Agreement. References to "this Agreement" or the use of the term "hereof" shall refer to this Agreement and the Standard Terms and Conditions attached hereto, taken as a whole.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and Executive has executed and delivered this Agreement.

TRIPADVISOR LLC

By: /s/ Stephen Kaufer
Title: CEO and President

/s/ Seth Kalvert
Seth Kalvert

STANDARD TERMS AND CONDITIONS

1. TERMINATION OF EXECUTIVE'S EMPLOYMENT.

(a) DEATH. Upon termination of Executive's employment prior to the expiration of the Term by reason of Executive's death, the Company shall pay the duly appointed representative of the Executive's estate, within 30 days of Executive's death in a lump sum in cash, (i) Executive's Base Salary from the date of Executive's death through the end of the month in which Executive's death occurs and (ii) any Accrued Obligations (as defined in Section 1(f) below).

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness ("Disability"), Executive shall have been absent from the full-time performance of Executive's duties with the Company for a period of four consecutive months and, within 30 days after written notice is provided to Executive by the Company (in accordance with Section 4A of the Employment Agreement), Executive shall not have returned to the full-time performance of Executive's duties, Executive's employment under this Agreement may be terminated by the Company for Disability. During any period prior to such termination during which Executive is absent from the full-time performance of Executive's duties with the Company due to Disability, the Company shall continue to pay Executive's Base Salary at the rate in effect at the commencement of such period of Disability, offset by any amounts payable during such period to Executive under any disability insurance plan or policy provided by the Company. Upon termination of Executive's employment due to Disability, the Company shall pay Executive within 30 days of such termination (i) Executive's Base Salary through the end of the month in which Executive's termination of employment for Disability occurs in equal biweekly installments, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company; and (ii) any Accrued Obligations in a lump sum in cash.

(c) TERMINATION FOR CAUSE; RESIGNATION WITHOUT GOOD REASON. The Company may terminate Executive's employment under this Agreement with or without Cause at any time and Executive may resign under this Agreement with or without Good Reason at any time. As used herein, "Cause" shall mean: (i) the plea of guilty or nolo contendere to, or conviction for, a felony offense by Executive; provided, however, that after indictment, the Company may suspend Executive from the rendition of services, but without limiting or modifying in any other way the Company's obligations under this Agreement; (ii) a material breach by Executive of a fiduciary duty owed to TripAdvisor, Inc., the parent company of the Company ("TripAdvisor"), the Company or any of its subsidiaries; (iii) a material breach by Executive of any of the covenants made by Executive in Section 2 hereof; (iv) the willful or gross neglect by Executive of the material duties required by this Agreement; or (v) a knowing and material violation by Executive of any TripAdvisor or Company policy pertaining to ethics, legal compliance, wrongdoing or conflicts of interest that, in the case of the conduct described in clauses (iv) or (v) above, if curable, is not cured by Executive within 30 days after Executive is provided with written notice thereof. Upon Executive's (A) termination of employment by the Company for Cause prior to the expiration of the Term or (B) resignation without Good Reason prior to the expiration of the Term, this Agreement shall terminate without further obligation by the Company, except for (i) the payment of any Accrued Obligations in a lump sum in cash within 30 days of such termination and (ii) the taking of all proper action required to be taken with respect to the Equity Awards vested as of the date of such termination.

(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 longer 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;

(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 a 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);

(iv) any compensation awards of Executive based on, or in the form of, TripAdvisor equity (e.g. restricted stock, restricted stock units, stock options or similar instruments) (“Equity Awards”) that are outstanding and unvested at the time of such termination but which would, but for a termination of employment, have vested during the 12 months following such termination (such period, the “Equity Acceleration Period”) shall vest (and, with respect to awards other than stock options and stock appreciation rights, settle) as of the date of such termination of employment; provided that any outstanding Equity Award with a vesting schedule that would, but for a termination of employment, have resulted in a smaller percentage (or none) of the Equity Award being vested through the end of such Equity Acceleration Period than if it vested annually pro rata over its vesting period shall, for purposes of this provision, be treated as though it vested annually pro rata over its vesting period (e.g., if 100 restricted stock units (“RSUs”) were granted 2.7 years prior to the date of the termination and vested pro rata on each of the first five anniversaries of the grant date and 100 RSUs were granted 1.7 years prior to the date of termination and vested 100% on the fifth anniversary of the grant date, then on the date of termination 20 RSUs from the first award and 40 RSUs from the second award would vest and settle); provided further that any amount that would vest under this provision but for the fact that outstanding performance conditions have not been satisfied shall vest (and, with respect to awards other than stock options and stock appreciation rights, settle) only if, and at such point as, such performance conditions are satisfied; and provided further that if any Equity Awards made subsequent to the Effective Date of this Agreement specifies a more favorable post-termination vesting schedule for such equity, the terms of the award agreement for such Equity Award shall govern; and

(v) any then vested options of Executive (including options vesting as a result of (iv) above) 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). 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.

As used herein, “Good Reason” shall mean the occurrence of any of the following without Executive’s prior written consent: (A) the Company’s material breach of any material provision of this Agreement, (B) the material reduction in Executive’s title, duties, reporting responsibilities or level of responsibilities as Senior Vice President and General Counsel of the Company, (C) the material reduction in Executive’s Base Salary or Executive’s total annual compensation opportunity, or (D) the relocation of Executive’s principal place of employment more than 20 miles outside the Boston metropolitan area, provided that in no event shall Executive’s resignation be for “Good Reason” unless (x) an event or circumstance set forth in clauses (A) through (D) shall have occurred and Executive provides the Company with written notice thereof within 30 days after Executive has knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that Executive believes constitutes Good Reason, (y) the Company fails to correct the circumstance or event so identified within 30 days after receipt of such notice, and (z) Executive resigns within 90 days after the date of delivery of the notice referred to in clause (x) above.

(e) OFFSET. If Executive obtains other employment during the Salary Continuation Period, any payments (other than Accrued Obligations) to be made to Executive under Section 1(d) after the date such employment is secured shall be offset by the amount of any cash compensation earned by Executive from such employment during the Salary Continuation Period. For purposes of this Section 1(e), Executive shall have an obligation to inform the Company regarding Executive’s employment status following termination and during the Salary Continuation Period, but shall have no affirmative duty to seek alternate employment.

(f) ACCRUED OBLIGATIONS. As used in this Agreement, “Accrued Obligations” shall mean the sum of (i) any portion of Executive’s accrued and earned but unpaid Base Salary through the date of death or termination of employment for any reason, as the case may be; (ii) any compensation previously earned but deferred by Executive (together with any interest or earnings thereon) that has not yet been paid and that is not otherwise paid at a later date pursuant to any deferred compensation arrangement of the Company to which Executive is a party, if any (provided, that any election made by Executive pursuant to any deferred compensation arrangement that is subject to Section 409A regarding the schedule for payment of such deferred compensation shall prevail over this Section 1(f) to the extent inconsistent herewith); and (iii) other than in the event of Executive’s resignation without Good Reason or termination by the Company for Cause (except as required by applicable law), any portion of Executive’s accrued but unpaid vacation pay through the date of death or termination of employment.

(g) 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).

(h) SECTION 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), including any regulations and guidance issued thereunder (“Section 409A”), to the extent Section 409A is applicable to this Agreement. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be interpreted, operated and administered by the Company in a manner consistent with such intention and to avoid the pre-distribution inclusion in income of amounts deferred under this Agreement and the imposition of any additional tax or interest with respect thereto.

Notwithstanding the preceding provisions of Section 1(d), in the event that Executive is a “specified employee” (within the meaning of Section 409A) on the date of termination of Executive’s employment with the Company and the Cash Severance Payments payable within the first six months following such date (the “Initial Payment Period”) exceed the amount referenced in Treas. Regs. Section 1.409A-1(b)(9)(iii)(A) (the “Limit”), then (1) any portion of the Cash Severance Payments that is a “short-term deferral” within the meaning of Treas. Regs. Section 1.409A-1(b)(4)(i) shall be paid at the times set forth in Section 1(d) or (e), as applicable, (2) any portion of the Cash Severance Payments (in addition to the amounts contemplated by the immediately preceding clause (1)) that is payable during the Initial Payment Period that does not exceed the Limit shall be paid at the times set forth in Section 1(d), as applicable, (3) any portion of the Cash Severance Payments that exceeds the Limit and is not a “short-term deferral” (“Deferred Payments”) (and would have been payable during the Initial Payment Period but for the Limit) shall be paid, with Interest, on the first business day of the first calendar month that begins after the six-month anniversary of Executive’s “separation from service” (within the meaning of Section 409A) and (4) any portion of the Cash Severance Payments that is payable after the Initial Payment Period shall be paid at the times set forth in Section 1(d), as applicable. For purposes of this Agreement, “Interest” shall mean interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code, from the date on which payment would otherwise have been made but for any required delay through the date of payment, and each installment of Cash Severance Payment payable under Section 1(d) is intended to constitute a separate payment for the purposes of Treas. Regs. Section 1.409A-2(b)(2).

All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(i) SECTION 280G. Notwithstanding any other provisions of this Agreement, or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Executive or for Executive’s benefit pursuant to the terms of this Agreement or otherwise (“Covered Payments”) constitute “parachute payments” within the meaning of Section 280G of the Code and would, but for this Section 1(i) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the “Excise Tax”), then the following shall apply:

(i) If the Covered Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by Executive on the amount of the Covered Payments which are in excess of three times Executive’s “base amount” within the meaning of Section 280(G) of the Code less one dollar (the “Threshold Amount”), are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(ii) If the Threshold Amount is less than (1) the Covered Payments, but greater than (2) the Covered Payments reduced by the sum of (x) the Excise Tax and (y) the total of the Federal, state, and local income and employment taxes on the amount of the Covered Payments which are in excess of the Threshold Amount, then the Covered Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Covered Payments shall not exceed the Threshold Amount. In such event, the Covered Payments shall be reduced in the following order: (A) cash payments not subject to Section 409A; (B) cash payments subject to Section 409A; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

The determination as to which of the alternative provisions of Section 1(j) shall apply to Executive shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Section 1(j) shall apply, Executive shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

2. CONFIDENTIAL INFORMATION; NON-COMPETITION; NON-SOLICITATION; AND PROPRIETARY RIGHTS.

(a) CONFIDENTIALITY. Executive acknowledges that while employed by the Company Executive will occupy a position of trust and confidence. The Company has provided and shall continue to provide Executive with Confidential Information. Executive shall hold in a fiduciary capacity for benefit of the Company and its subsidiaries and affiliates, and shall not, except as may be required to perform Executive's duties hereunder or as required by applicable law, without limitation in time, communicate, divulge, disseminate, disclose to others or otherwise use, whether directly or indirectly, any Confidential Information. "Confidential Information" shall mean information about the Company or any of its subsidiaries or affiliates, and their respective businesses, employees, consultants, contractors, suppliers, clients and customers that is not disclosed by the Company or any of its subsidiaries or affiliates for financial reporting purposes and that was learned by Executive in the course of employment by the Company or any of its subsidiaries or affiliates, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, processes, methods, research, secret data, costs, names of users or purchasers of their respective products or services, business methods, operating procedures or programs or methods of promotion and sale, information relating to accounting or tax strategies and data, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information. For purposes of this Section 2(a), information shall not cease to be Confidential Information merely because it is embraced by general disclosures for financial reporting purposes or because individual features or combinations thereof are publicly available. Notwithstanding the foregoing provisions, if Executive is required to disclose any such confidential or proprietary information pursuant to applicable law or a subpoena or court order, Executive shall promptly notify the Company in writing of any such requirement so that the Company may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions hereof. Executive shall reasonably cooperate with the Company to obtain such a protective order or other remedy. If such order or other remedy is not obtained prior to the time Executive is required to make the disclosure, or the Company waives compliance with the provisions hereof, Executive shall disclose only that portion of the confidential or proprietary information which he is advised by counsel that he is legally required to so disclose. Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries or affiliates, and that such information gives the Company and its subsidiaries or affiliates a competitive advantage. Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of Executive's employment, all documents, computer tapes and disks, plans, initiatives, strategies, records, lists, data, drawings, prints, notes and written information (and all copies thereof) created by or on behalf of the Company or its subsidiaries or affiliates or prepared by Executive in the course of Executive's employment by the Company and its subsidiaries or affiliates. As used in this Agreement, "subsidiaries" and "affiliates" shall mean any company that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the Company. The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(b) NON-COMPETITION. In consideration of the Company's promise to disclose, and disclosure of, its Confidential Information and other good and valuable consideration provided hereunder, the receipt and sufficiency of which are hereby acknowledged by Executive, Executive hereby agrees and covenants that from the date hereof and until the longer of (i) the last day of the Term and (ii) a period of 12 months beyond Executive's date of termination of employment from the Company or any of its subsidiaries or affiliates for any reason, including the expiration of the Term (the "Restricted Period"), Executive shall not, directly or indirectly, engage in, assist or become associated with a Competitive Activity. For purposes of this Section 2(b): (i) a

“Competitive Activity” means, at the time of Executive’s termination, any business or other endeavor in any jurisdiction of a kind being conducted by the Company or any of its subsidiaries or affiliates (or demonstrably anticipated by the Company or its subsidiaries or affiliates and, for avoidance of doubt, such affiliates to exclude Expedia, Inc., Liberty Media Corporation or Liberty Interactive Corporation or any of their respective subsidiaries), in any jurisdiction as of the Effective Date or at any time thereafter; and (ii) Executive shall be considered to have become “associated with a Competitive Activity” if Executive becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, advisor, lender, or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity. Notwithstanding the foregoing, (i) Executive may make and retain investments during the Restricted Period, for investment purposes only, in less than 5% of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if Executive is not otherwise affiliated with such corporation; (ii) Executive may serve as an employee or partner (or otherwise invest or hold an ownership interest) in an investment firm that has an ownership interest in a partnership, corporation or other organization that is engaged in a Competitive Activity, provided that such ownership interest does not constitute greater than 20% of such investment firm’s total assets under management and Executive is not directly involved with the provision of direction or management of such entity engaged in the Competitive Activity, including the investment decisions thereof; and (iii) Executive may serve as an employee of or partner (or otherwise hold an ownership interest) in a consultancy or investment bank engaged in providing advisory services to entities engaged in Competitive Activities, provided that Executive is not directly involved in the provision of the advisory services to such entities engaged in the Competitive Activity. Notwithstanding the foregoing, to the extent that, solely due to a change in scope of the business of the Company or any of its subsidiaries or affiliates (e.g., by virtue of an acquisition or strategic change), Executive has become “associated with a Competitive Activity” (i.e., for purposes of clarity, Executive’s activity prior to such change in scope was permissible under this Section 2(b)), then Executive shall have a reasonable period of time, not to exceed 12 months, to cure such association with a Competitive Activity, including by resignation (if personal services), liquidation or unwinding (if investment-related) or eliminating any activity or involvement with such entity engaged in the Competitive Activity, in all cases on such terms as are reasonably acceptable to the Company.

(c) NON-SOLICITATION OF EMPLOYEES. Executive recognizes that he or she will possess Confidential Information about other employees, officers, directors, agents, consultants and independent contractors of the Company and its subsidiaries or affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with suppliers to and customers of the Company and its subsidiaries or affiliates. Executive recognizes that the information he or she will possess about these employees, officers, directors, agents, consultants and independent contractors is not generally known, is of substantial value to the Company and its subsidiaries or affiliates in developing their respective businesses and in securing and retaining customers, and will be acquired by Executive because of Executive’s business position with the Company. Executive agrees (i) that, during the Restricted Period, Executive will not, directly or indirectly, hire or solicit or recruit the employment or services of (i.e., whether as an employee, officer, director, agent, consultant or independent contractor), or encourage to change such person’s relationship with the Company or any of its subsidiaries or affiliates, any employee, officer, director, agent, consultant or independent contractor of the Company or any of its subsidiaries or affiliates, provided, however, that a general solicitation of the public for employment (and any hiring pursuant thereto) shall not constitute a solicitation hereunder so long as such general solicitation is not designed to target, or does not have the effect of targeting, any employee, officer, director, agent, consultant or independent contractor of the Company or any of its subsidiaries or affiliates, provided, further, that the hiring, solicitation or engagement (i.e., on a non-exclusive basis) of third-party professional advisors (e.g., law firms, accountancies) shall not constitute recruitment hereunder and (ii) that Executive will not convey any Confidential Information or trade secrets about any employees, officers, directors, agents, consultants and independent contractors of the Company or any of its subsidiaries or affiliates to any other person except within the scope of Executive’s duties hereunder.

(d) NON-SOLICITATION OF CUSTOMERS, SUPPLIERS, PARTNERS. During the Restricted Period, Executive shall not, without the prior written consent of the Company, directly or indirectly, solicit, attempt to do business with, or do business with any customers of, suppliers (including providers of travel inventory) to, business partners of or business affiliates of the Company or any of its subsidiaries or affiliates (collectively, “Trade Relationships”) on behalf of any entity engaged in a Competitive Activity, or encourage (regardless of who initiates the contact) any Trade Relationship to use the services of any competitor of the Company or its subsidiaries or affiliates, or encourage any Trade Relationship to change its relationship with the Company or its subsidiaries or affiliates.

(e) PROPRIETARY RIGHTS; ASSIGNMENT. All Executive Developments (as defined below) shall be made for hire by Executive for the Company or any of its subsidiaries or affiliates. “Executive Developments” means any idea, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other work or authorship, in each case, (i) that (A) relates to the business or operations of the Company or any of its subsidiaries or affiliates, or (B) results from or is suggested by any undertaking assigned to Executive or work performed by Executive for or on behalf of the Company or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours and (ii) that is conceived or developed during the Term. All Confidential Information and all Executive Developments shall remain the sole property

of the Company or any of its subsidiaries or affiliates. Executive shall acquire no proprietary interest in any Confidential Information or Executive Developments developed or acquired during the Term. To the extent Executive may, by operation of law or otherwise, acquire any right, title or interest in or to any Confidential Information or Executive Development, Executive hereby assigns to the Company all such proprietary rights. Executive shall, both during and after the Term, upon the Company's request, promptly execute and deliver to the Company all such assignments, certificates and instruments, and shall promptly perform such other acts, as the Company may from time to time in its reasonable discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's rights in Confidential Information and Executive Developments.

(f) COMPLIANCE WITH POLICIES AND PROCEDURES. During the Term, Executive shall adhere to the policies and standards of professionalism set forth in the Company's Policies and Procedures as they may exist from time to time.

(g) REMEDIES FOR BREACH. Executive expressly agrees and understands that Executive will notify the Company in writing of any alleged breach of this Agreement by the Company, and the Company will have 30 days from receipt of Executive's notice to cure any such breach. Executive expressly agrees and understands that the remedy at law for any breach by Executive of this Section 2 will be inadequate and that damages flowing from such breach are not usually susceptible to being measured in monetary terms. Accordingly, it is acknowledged that upon Executive's violation of any provision of this Section 2 the Company shall be entitled to obtain from any court of competent jurisdiction immediate injunctive relief and obtain a temporary order restraining any threatened or further breach as well as an equitable accounting of all profits or benefits arising out of such violation. Nothing in this Section 2 shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Section 2, which may be pursued by or available to the Company.

(h) SURVIVAL OF PROVISIONS. The obligations contained in this Section 2 shall, to the extent provided in this Section 2, survive the termination or expiration of Executive's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 2 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

3. MERGER. This Agreement constitutes the entire agreement between the parties and terminates and supersedes any and all prior agreements and understandings (whether written or oral) between the parties with respect to the subject matter of this Agreement. Executive acknowledges and agrees that neither the Company nor anyone acting on its behalf has made, and is not making, and in executing this Agreement, Executive has not relied upon, any representations, promises or inducements except to the extent the same is expressly set forth in this Agreement. All Stock Option Agreements and Restricted Stock Unit Agreements between Executive and the Company survive and are hereby incorporated by reference into this Agreement.

4. ASSIGNMENT; SUCCESSORS. This Agreement is personal in its nature and none of the parties hereto shall, without the consent of the others, assign or transfer this Agreement or any rights or obligations hereunder, provided that, in the event of a transfer of Executive to any entity affiliated with the Company and/or the merger, consolidation, transfer, or sale of all or substantially all of the assets of the Company with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder, and all references herein to the "Company" shall refer to such successor, provided, further, that Executive's estate and duly appointed representative thereof shall succeed to all of Executive's rights hereunder upon Executive's death and that Executive's duly appointed representative shall succeed to all of Executive's rights upon Executive's Disability.

5. WITHHOLDING. The Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to Executive hereunder, as may be required from time to time by applicable law, governmental regulation or order.

6. HEADING REFERENCES. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. References to "this Agreement" or the use of the term "hereof" shall refer to these Standard Terms and Conditions and the Employment Agreement attached hereto, taken as a whole.

7. WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect, or extended beyond expiration of the Term (regardless of continued employment), except by a writing executed by each party hereto. Notwithstanding anything to the contrary herein, neither the assignment of Executive to a different Reporting Officer due to a reorganization or an internal

restructuring of the Company or its affiliated companies nor a change in the title of the Reporting Officer shall constitute a modification or a breach of this Agreement.

8. SEVERABILITY. In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Agreement that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Agreement.

ACKNOWLEDGED AND AGREED AS OF THE EFFECTIVE DATE:

TRIPADVISOR LLC

By: /s/ Stephen Kaufer
Title: CEO and President

/s/ Seth Kalvert
Seth Kalvert

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is entered into by and between Stephen Kaufer (“Executive”) and TripAdvisor LLC, a Delaware limited liability company (the “Company”), and is effective as of March 31, 2014 (the “Effective Date”).

WHEREAS, the Company desires to establish its right to the services of Executive, in the capacity described below, on the terms and conditions hereinafter set forth, and Executive is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Executive and the Company have agreed and do hereby agree as follows:

1A. EMPLOYMENT. The Company agrees to employ Executive as President and Chief Executive Officer of TripAdvisor, Inc., a Delaware corporation (“TripAdvisor”), and its subsidiaries (including the Company), and Executive accepts and agrees to such employment. During Executive’s employment with the Company, Executive shall perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Executive’s position and shall render such services on the terms set forth herein. During Executive’s employment with the Company, Executive shall report directly to the Board of Directors of TripAdvisor (the “Board”). Executive shall have such powers and duties with respect to the Company as may reasonably be assigned to Executive by the Board, to the extent consistent with Executive’s position and status. Executive agrees to devote substantially all of Executive’s working time, attention and efforts to the Company, provided that nothing set forth herein shall limit or modify Executive’s charitable and club activities and activities as a member of the Board of Directors of a limited number of companies other than the Company and its subsidiaries (not to exceed one public company board seat (in addition to TripAdvisor’s), three private company board seats and one not-for-profit company board seat) as long as such activities do not interfere with Executive’s efforts contemplated herein. Executive shall perform the duties of Executive’s position in accordance with the Company’s policies as in effect from time to time. Executive’s principal place of employment shall be the Company’s offices located in Newton, Massachusetts and at such time, any successor headquarters, including in Needham, Massachusetts.

2A. TERM OF AGREEMENT. The term (the “Term”) of this Agreement shall commence on the Effective Date and shall continue through the fifth anniversary of the Effective Date, unless sooner terminated in accordance with the provisions of Section 1 of the Standard Terms and Conditions attached hereto.

3A. COMPENSATION.

(a) BASE SALARY. During the Term, the Company shall pay Executive an annual base salary of \$500,000.00 (the “Base Salary”), payable in equal biweekly installments or in accordance with the Company’s payroll practice as in effect from time to time. For all purposes under this Agreement, the term “Base Salary” shall refer to Base Salary as in effect from time to time. Executive’s Base Salary shall be reviewed at least annually by the Compensation Committee of the Board (the “Compensation Committee”) and may be increased but not decreased.

(b) ANNUAL BONUS. During the Term, Executive shall be eligible to receive annual bonuses, as determined by, and at the sole discretion of, the Compensation Committee, with an annual target bonus equal to 100% of Base Salary, with amounts, if any, for any partial year payable on a *pro rata* basis. Any such annual bonus shall be paid not later than March 15 of the calendar year immediately following the calendar year with respect to which such annual bonus relates (unless Executive has elected to defer receipt of such bonus pursuant to an arrangement that meets the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). If Executive is expected to be a “covered employee” in any given year for purposes of Section 162(m) of the Code, the annual bonus will be determined by the Compensation Committee in its sole discretion, and will be based on such criteria (i) as are approved in advance by such Compensation Committee and (ii) that are designed in a manner such that the annual bonus will be treated as “qualified performance-based compensation” within the meaning of Section 162(m).

(c) BENEFITS. During the Term, from the Effective Date through the date of termination of Executive's employment with the Company for any reason, Executive shall be entitled to participate in any welfare, health and life insurance and pension benefit and incentive programs as may be adopted from time to time by the Company on the same basis as that provided to senior executives of the Company generally. Without limiting the generality of the foregoing, Executive shall be entitled to the following benefits:

(i) Reimbursement for Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable and necessary expenses incurred by Executive in performing Executive's duties for the Company, on the same basis as senior executives of the Company generally and in accordance with the Company's policies as in effect from time to time.

(ii) Vacation. During the Term, Executive shall be entitled to annual paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to senior executives of the Company generally.

4A. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested, by reputable overnight courier service (charges prepaid) or hand delivery acknowledged in writing by the recipient personally, and shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

If to the Company: 141 Needham Street
Newton, MA 02464
Attention: General Counsel

If to Executive: At the most recent address on record at the Company
for Executive.

Either party may change such party's address for notices by notice duly given pursuant hereto.

5A. GOVERNING LAW; JURISDICTION. This Agreement and the legal relations thus created between the parties hereto shall be governed by and construed under and in accordance with the internal laws of the Commonwealth of Massachusetts without reference to the principles of conflicts of laws. Any and all disputes between the parties which may arise pursuant to this Agreement will be heard and determined before an appropriate federal court in Massachusetts, or, if not maintainable therein, then in an appropriate Massachusetts state court. The parties acknowledge that such courts have jurisdiction to interpret and enforce the provisions of this Agreement, and the parties consent to, and waive any and all objections that they may have as to, personal jurisdiction and/or venue in such courts.

6A. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. Executive and the Company expressly understand and acknowledge that the Standard Terms and Conditions attached hereto are incorporated herein by reference, deemed a part of this Agreement and are binding and enforceable provisions of this Agreement. References to "this Agreement" or the use of the term "hereof" shall refer to this Agreement and the Standard Terms and Conditions attached hereto, taken as a whole.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and Executive has executed and delivered this Agreement.

TRIPADVISOR LLC

By: /s/ Seth Kalvert
Title: SVP, General Counsel and Secretary

/s/ Stephen Kaufer
Stephen Kaufer

STANDARD TERMS AND CONDITIONS

1. TERMINATION OF EXECUTIVE'S EMPLOYMENT.

(a) DEATH. Upon termination of Executive's employment prior to the expiration of the Term by reason of Executive's death, the Company shall pay the duly appointed representative of the Executive's estate, within 30 days of Executive's death in a lump sum in cash, (i) Executive's Base Salary from the date of Executive's death through the end of the month in which Executive's death occurs and (ii) any Accrued Obligations (as defined in Section 1(g) below). Any outstanding and unvested Equity Awards (as defined below) with a vesting schedule that would, but for Executive's death, have resulted in a smaller percentage (or none) of the Equity Award being vested through the date of Executive's death than if it vested annually pro rata over its vesting period shall, for purposes of this provision, be treated as though it vested annually pro rata over its vesting period (e.g., if 100 restricted stock units ("RSUs") were granted 2.7 years prior to the date of the termination and vested pro rata on each of the first five anniversaries of the grant date and 100 RSUs were granted 1.7 years prior to the date of termination and vested 100% on the fifth anniversary of the grant date, then on the date of termination due to Executive's death, no RSUs from the first award and 20 RSUs from the second award would vest and settle), provided that any then-vested options of Executive (including options vesting as a result of the foregoing provision) to purchase TripAdvisor equity shall remain exercisable through the date that is 18 months following the date of Executive's death or, if earlier, through the scheduled expiration date of such options.

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness ("Disability"), Executive shall have been absent from the full-time performance of Executive's duties with the Company for a period of four consecutive months and, within 30 days after written notice is provided to Executive by the Company (in accordance with Section 4A of the Employment Agreement), Executive shall not have returned to the full-time performance of Executive's duties, Executive's employment under this Agreement may be terminated by the Company for Disability. During any period prior to such termination during which Executive is absent from the full-time performance of Executive's duties with the Company due to Disability, the Company shall continue to pay Executive's Base Salary at the rate in effect at the commencement of such period of Disability, offset by any amounts payable during such period to Executive under any disability insurance plan or policy provided by the Company. Upon termination of Executive's employment due to Disability, the Company shall pay Executive within 30 days of such termination (i) Executive's Base Salary through the end of the month in which Executive's termination of employment for Disability occurs in equal biweekly installments, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company; and (ii) any Accrued Obligations in a lump sum in cash. Any outstanding and unvested Equity Awards with a vesting schedule that would, but for Executive's termination of employment for Disability, have resulted in a smaller percentage (or none) of the Equity Award being vested through the date of such termination than if it vested annually pro rata over its vesting period shall, for purposes of this provision, be treated as though it vested annually pro rata over its vesting period (e.g., if 100 RSUs were granted 2.7 years prior to the date of the termination and vested pro rata on each of the first five anniversaries of the grant date and 100 RSUs were granted 1.7 years prior to the date of termination and vested 100% on the fifth anniversary of the grant date, then on the date of termination due to Executive's Disability, no RSUs from the first award and 20 RSUs from the second award would vest and settle), provided that any then-vested options of Executive (including options vesting as a result of the foregoing provision) 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.

(c) TERMINATION FOR CAUSE; RESIGNATION WITHOUT GOOD REASON. The Company may terminate Executive's employment under this Agreement with or without Cause at any time and Executive may resign under this Agreement with or without Good Reason at any time. As used herein, "Cause" shall mean: (i) the plea of guilty or nolo contendere to, or conviction for, a felony offense by Executive; provided, however, that after indictment, the Company may suspend Executive from the rendition of services, but without limiting or modifying in any other way the Company's obligations under this Agreement; (ii) a material breach by Executive of a fiduciary duty owed to TripAdvisor, the Company or any of its subsidiaries; (iii) a material breach by Executive of any of the covenants made by Executive in Section 2 hereof; (iv) the willful or gross neglect by Executive of the material duties required by this Agreement; or (v) a knowing and material violation by Executive of any TripAdvisor or Company policy pertaining to ethics, legal compliance, wrongdoing or conflicts of interest that, in the case of the conduct described in clauses (iv) or (v) above, if curable, is not cured by Executive within 30 days after Executive is provided with written notice thereof. Upon Executive's (A) termination of employment by the Company for Cause prior to the expiration of the Term or (B) resignation without Good Reason prior to the expiration of the Term, this Agreement shall terminate without further obligation by the Company, except for (i) the payment of any Accrued Obligations in a lump sum in cash within 30 days of such termination and (ii) the taking of all proper action required to be taken with respect to the Equity Awards vested as of the date of such termination.

(d) TERMINATION WITHOUT CAUSE OR RESIGNATION FOR GOOD REASON NOT IN CONNECTION WITH A CHANGE IN CONTROL. 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), in any case other than pursuant to Section 1(e) hereof, then:

(i) the Company shall continue to pay Executive the Base Salary through 12 months following such termination date (such period, the "Salary Continuation Period") 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;

(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 a 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);

(iv) any compensation awards of Executive based on, or in the form of, TripAdvisor equity (e.g. restricted stock, restricted stock units, stock options or similar instruments) ("Equity Awards") that are outstanding and invested at the time of such termination but which would, but for a termination of employment, have vested during the 12 months following such termination (such period, the "Equity Acceleration Period") shall vest (and, with respect to awards other than stock options and stock appreciation rights, settle) as of the date of such termination of employment; provided that any outstanding Equity Award with a vesting schedule that would, but for a termination of employment, have resulted in a smaller percentage (or none) of the Equity Award being vested through the end of such Equity Acceleration Period than if it vested annually pro rata over its vesting period shall, for purposes of this provision, be treated as though it vested annually pro rata over its vesting period (e.g., if 100 restricted stock units ("RSUs") were granted 2.7 years prior to the date of the termination and vested pro rata on each of the first five anniversaries of the grant date and 100 RSUs were granted 1.7 years prior to the date of termination and vested 100% on the fifth anniversary of the grant date, then on the date of termination 20 RSUs from the first award and 40 RSUs from the second award would vest and settle); provided further that any amount that would vest under this provision but for the fact that outstanding performance conditions have not been satisfied shall vest (and, with respect to awards other than stock options and stock appreciation rights, settle) only if, and at such point as, such performance conditions are satisfied; and provided further that if any Equity Awards made subsequent to the Effective Date of this Agreement specifies a more favorable post-termination vesting schedule for such equity, the terms of the award agreement for such Equity Award shall govern;

(v) any Equity Awards that do not vest pursuant to subsection (iv) above shall remain outstanding and shall not be cancelled until three months following such termination, provided, however, there shall be no additional vesting with respect to such remaining Equity Awards unless a Change in Control occurs within three months immediately following the termination date, at which time such remaining Equity Awards shall vest pursuant to Section 1(e)(v) below; and

(vi) any then vested options of Executive (including options vesting as a result of (iii) above) 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). 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.

As used herein, "Good Reason" shall mean the occurrence of any of the following without Executive's prior written consent: (A) the Company's material breach of any material provision of this Agreement, (B) the material reduction in Executive's title, duties, reporting responsibilities or level of responsibilities as President and Chief Executive Officer of the Company or TripAdvisor, (C) the material reduction in Executive's Base Salary or Executive's total annual compensation opportunity, or (D) the relocation of Executive's principal place of employment more than 20 miles outside the Boston metropolitan area, provided that in no event shall Executive's resignation be for "Good Reason" unless (x) an event or circumstance set forth in clauses (A) through (D) shall have occurred and Executive provides the Company with written notice thereof within 30 days after Executive has knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that Executive believes constitutes Good Reason, (y) the Company fails to correct the circumstance or event so identified within 30 days after receipt of such notice, and (z) Executive resigns within 90 days after the date of delivery of the notice referred to in clause (x) above.

(e) TERMINATION WITHOUT CAUSE OR RESIGNATION FOR GOOD REASON IN CONNECTION WITH A CHANGE IN CONTROL. Upon termination of Executive's employment by the Company without Cause (other than for death or Disability) or by the Executive for Good Reason, that occurs during the period commencing three months immediately prior to a Change in Control and ending 24 months immediately following the Change in Control (as defined in the TripAdvisor, Inc. 2011 Stock and Annual Incentive Plan, as the same has been amended and may be amended from time to time (the "Stock Plan")), then:

(i) the Company shall pay Executive a severance amount equal to 24 months of Base Salary with such severance amount payable in a lump sum if the Change in Control also constitutes a "change in control event" with the meaning of Treas. Regs. Section 1.409A-3(i)(5), and otherwise in accordance with the payment provisions of Section 1(d);

(ii) 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 18 months following such termination date 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;

(iii) the Company shall pay to Executive within 30 days of the date of such termination in a lump sum in cash any Accrued Obligations;

(iv) the Company shall pay to Executive within 30 days of the date of such termination in a lump sum in cash an amount equal to the annual bonus at target, without pro-ratio or adjustment;

(v) any Equity Awards that are outstanding and unvested at the time of such termination shall immediately vest in full (and, with respect to awards other than stock options and stock appreciation rights, settle) as of the date of such termination of employment; and

(vi) any then vested options of Executive (including options vesting as a result of (v) above) 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.

(f) OFFSET. If Executive obtains other employment during the Salary Continuation Period, any payments (other than Accrued Obligations) to be made to Executive under Section 1(d) after the date such employment is secured shall be offset by the amount of any cash compensation earned by Executive from such employment during the Salary Continuation Period. For purposes of this Section 1(f), Executive shall have an obligation to inform the Company regarding Executive's employment status following termination and during the Salary Continuation Period, but shall have no affirmative duty to seek alternate employment.

(g) ACCRUED OBLIGATIONS. As used in this Agreement, "Accrued Obligations" shall mean the sum of (i) any portion of Executive's accrued and earned but unpaid Base Salary through the date of death or termination of employment for any reason, as the case may be; (ii) any compensation previously earned but deferred by Executive (together with any interest or earnings thereon) that has not yet been paid and that is not otherwise paid at a later date pursuant to any deferred compensation arrangement of the Company to which Executive is a party, if any (provided, that any election made by Executive pursuant to any

deferred compensation arrangement that is subject to Section 409A regarding the schedule for payment of such deferred compensation shall prevail over this Section 1(g) to the extent inconsistent herewith); and (iii) other than in the event of Executive's resignation without Good Reason or termination by the Company for Cause (except as required by applicable law), any portion of Executive's accrued but unpaid vacation pay through the date of death or termination of employment.

(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).

(i) SECTION 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), including any regulations and guidance issued thereunder ("Section 409A"), to the extent Section 409A is applicable to this Agreement. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be interpreted, operated and administered by the Company in a manner consistent with such intention and to avoid the pre-distribution inclusion in income of amounts deferred under this Agreement and the imposition of any additional tax or interest with respect thereto.

Notwithstanding the preceding provisions of Section 1(d) or 1(e), in the event that Executive is a "specified employee" (within the meaning of Section 409A) on the date of termination of Executive's employment with the Company and the cash payments under Section 1(d) or (e) ("Cash Severance Payments) payable within the first six months following such date (the "Initial Payment Period") exceed the amount referenced in Treas. Regs. Section 1.409A-1(b)(9)(iii)(A) (the "Limit"), then (1) any portion of the Cash Severance Payments that is a "short-term deferral" within the meaning of Treas. Regs. Section 1.409A-1(b)(4)(i) shall be paid at the times set forth in Section 1(d) or (e), as applicable, (2) any portion of the Cash Severance Payments (in addition to the amounts contemplated by the immediately preceding clause (1)) that is payable during the Initial Payment Period that does not exceed the Limit shall be paid at the times set forth in Section 1(d) or (e), as applicable, (3) any portion of the Cash Severance Payments that exceeds the Limit and is not a "short-term deferral" ("Deferred Payments) (and would have been payable during the Initial Payment Period but for the Limit) shall be paid, with Interest, on the first business day of the first calendar month that begins after the six-month anniversary of Executive's "separation from service" (within the meaning of Section 409A) and (4) any portion of the Cash Severance Payments that is payable after the Initial Payment Period shall be paid at the times set forth in Section 1(d) or (e), as applicable. For purposes of this Agreement, "Interest" shall mean interest at the applicable federal rate provided for in Section 7872(f) (2)(A) of the Code, from the date on which payment would otherwise have been made but for any required delay through the date of payment, and each installment of Cash Severance Payment payable under Section 1(d) or (e) is intended to constitute a separate payment for the purposes of Treas. Regs. Section 1.409A-2(b)(2).

All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(j) SECTION 280G. Notwithstanding any other provisions of this Agreement, or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Executive or for Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 1(j) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then the following shall apply:

(i) If the Covered Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by Executive on the amount of the Covered Payments which are in excess of three times Executive's "base amount" within the meaning of Section 280(G) of the Code less one dollar (the "Threshold Amount"), are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(ii) If the Threshold Amount is less than (1) the Covered Payments, but greater than (2) the Covered Payments reduced by the sum of (x) the Excise Tax and (y) the total of the Federal, state, and local income and employment taxes on the amount of the Covered Payments which are in excess of the Threshold Amount, then the Covered Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Covered Payments shall not exceed the Threshold Amount. In such event, the Covered Payments shall be reduced in the

following order: (A) cash payments not subject to Section 409A; (B) cash payments subject to Section 409A; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

The determination as to which of the alternative provisions of Section 1(j) shall apply to Executive shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Section 1(j) shall apply, Executive shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

2. CONFIDENTIAL INFORMATION; NON-COMPETITION; NON-SOLICITATION; AND PROPRIETARY RIGHTS.

(a) CONFIDENTIALITY. Executive acknowledges that while employed by the Company Executive will occupy a position of trust and confidence. The Company has provided and shall continue to provide Executive with Confidential Information. Executive shall hold in a fiduciary capacity for benefit of the Company and its subsidiaries and affiliates, and shall not, except as may be required to perform Executive's duties hereunder or as required by applicable law, without limitation in time, communicate, divulge, disseminate, disclose to others or otherwise use, whether directly or indirectly, any Confidential Information. "Confidential Information" shall mean information about the Company or any of its subsidiaries or affiliates, and their respective businesses, employees, consultants, contractors, suppliers, clients and customers that is not disclosed by the Company or any of its subsidiaries or affiliates for financial reporting purposes and that was learned by Executive in the course of employment by the Company or any of its subsidiaries or affiliates, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, processes, methods, research, secret data, costs, names of users or purchasers of their respective products or services, business methods, operating procedures or programs or methods of promotion and sale, information relating to accounting or tax strategies and data, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information. For purposes of this Section 2(a), information shall not cease to be Confidential Information merely because it is embraced by general disclosures for financial reporting purposes or because individual features or combinations thereof are publicly available. Notwithstanding the foregoing provisions, if Executive is required to disclose any such confidential or proprietary information pursuant to applicable law or a subpoena or court order, Executive shall promptly notify the Company in writing of any such requirement so that the Company may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions hereof. Executive shall reasonably cooperate with the Company to obtain such a protective order or other remedy. If such order or other remedy is not obtained prior to the time Executive is required to make the disclosure, or the Company waives compliance with the provisions hereof, Executive shall disclose only that portion of the confidential or proprietary information which he is advised by counsel that he is legally required to so disclose. Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries or affiliates, and that such information gives the Company and its subsidiaries or affiliates a competitive advantage. Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of Executive's employment, all documents, computer tapes and disks, plans, initiatives, strategies, records, lists, data, drawings, prints, notes and written information (and all copies thereof) created by or on behalf of the Company or its subsidiaries or affiliates or prepared by Executive in the course of Executive's employment by the Company and its subsidiaries or affiliates. As used in this Agreement, "subsidiaries" and "affiliates" shall mean any company that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the Company. The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(b) NON-COMPETITION. In consideration of the Company's promise to disclose, and disclosure of, its Confidential Information and other good and valuable consideration provided hereunder, the receipt and sufficiency of which are hereby acknowledged by Executive, Executive hereby agrees and covenants that from the date hereof and until the date that is 18 months following Executive's date of termination of employment from the Company or any of its subsidiaries or affiliates for any reason, including the expiration of the Term (the "Restricted Period"), Executive shall not, directly or indirectly, engage in, assist or become associated with a Competitive Activity. For purposes of this Section 2(b): (i) a "Competitive Activity" means, at the time of Executive's termination, any business or other endeavor in any jurisdiction of a kind being conducted by the Company or any of its subsidiaries or affiliates (or demonstrably anticipated by the Company or its subsidiaries or affiliates and, for avoidance of doubt, such affiliates to exclude Expedia, Inc., Liberty Media Corporation or Liberty Interactive Corporation or any of their respective subsidiaries), in any jurisdiction as of the Effective Date or at any time thereafter; and (ii) Executive shall be considered to have become "associated with a Competitive Activity" if Executive becomes directly or indirectly involved as an owner, principal,

employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, advisor, lender, or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity. Notwithstanding the foregoing, (i) Executive may make and retain investments during the Restricted Period, for investment purposes only, in less than 5% of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if Executive is not otherwise affiliated with such corporation; (ii) Executive may serve as an employee or partner (or otherwise invest or hold an ownership interest) in an investment firm that has an ownership interest in a partnership, corporation or other organization that is engaged in a Competitive Activity, provided that such ownership interest does not constitute greater than 20% of such investment firm's total assets under management and Executive is not directly involved with the provision of direction or management of such entity engaged in the Competitive Activity, including the investment decisions thereof; and (iii) Executive may serve as an employee of or partner (or otherwise hold an ownership interest) in a consultancy or investment bank engaged in providing advisory services to entities engaged in Competitive Activities, provided that Executive is not directly involved in the provision of the advisory services to such entities engaged in the Competitive Activity. Notwithstanding the foregoing, to the extent that, solely due to a change in scope of the business of the Company or any of its subsidiaries or affiliates (e.g., by virtue of an acquisition or strategic change), Executive has become "associated with a Competitive Activity" (i.e., for purposes of clarity, Executive's activity prior to such change in scope was permissible under this Section 2(b)), then Executive shall have a reasonable period of time, not to exceed 12 months, to cure such association with a Competitive Activity, including by resignation (if personal services), liquidation or unwinding (if investment-related) or eliminating any activity or involvement with such entity engaged in the Competitive Activity, in all cases on such terms as are reasonably acceptable to the Company.

(c) NON-SOLICITATION OF EMPLOYEES. Executive recognizes that he or she will possess Confidential Information about other employees, officers, directors, agents, consultants and independent contractors of the Company and its subsidiaries or affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with suppliers to and customers of the Company and its subsidiaries or affiliates. Executive recognizes that the information he or she will possess about these employees, officers, directors, agents, consultants and independent contractors is not generally known, is of substantial value to the Company and its subsidiaries or affiliates in developing their respective businesses and in securing and retaining customers, and will be acquired by Executive because of Executive's business position with the Company. Executive agrees (i) that, during the Restricted Period, Executive will not, directly or indirectly, hire or solicit or recruit the employment or services of (i.e., whether as an employee, officer, director, agent, consultant or independent contractor), or encourage to change such person's relationship with the Company or any of its subsidiaries or affiliates, any employee, officer, director, agent, consultant or independent contractor of the Company or any of its subsidiaries or affiliates, provided, however, that a general solicitation of the public for employment (and any hiring pursuant thereto) shall not constitute a solicitation hereunder so long as such general solicitation is not designed to target, or does not have the effect of targeting, any employee, officer, director, agent, consultant or independent contractor of the Company or any of its subsidiaries or affiliates, provided, further, that the hiring, solicitation or engagement (i.e., on a non-exclusive basis) of third-party professional advisors (e.g., law firms, accountancies) shall not constitute recruitment hereunder and (ii) that Executive will not convey any Confidential Information or trade secrets about any employees, officers, directors, agents, consultants and independent contractors of the Company or any of its subsidiaries or affiliates to any other person except within the scope of Executive's duties hereunder.

(d) NON-SOLICITATION OF CUSTOMERS, SUPPLIERS, PARTNERS. During the Restricted Period, Executive shall not, without the prior written consent of the Company, directly or indirectly, solicit, attempt to do business with, or do business with any customers of, suppliers (including providers of travel inventory) to, business partners of or business affiliates of the Company or any of its subsidiaries or affiliates (collectively, "Trade Relationships") on behalf of any entity engaged in a Competitive Activity, or encourage (regardless of who initiates the contact) any Trade Relationship to use the services of any competitor of the Company or its subsidiaries or affiliates, or encourage any Trade Relationship to change its relationship with the Company or its subsidiaries or affiliates.

(e) PROPRIETARY RIGHTS; ASSIGNMENT. All Executive Developments (as defined below) shall be made for hire by Executive for the Company or any of its subsidiaries or affiliates. "Executive Developments" means any idea, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other work or authorship, in each case, (i) that (A) relates to the business or operations of the Company or any of its subsidiaries or affiliates, or (B) results from or is suggested by any undertaking assigned to Executive or work performed by Executive for or on behalf of the Company or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours and (ii) that is conceived or developed during the Term. All Confidential Information and all Executive Developments shall remain the sole property of the Company or any of its subsidiaries or affiliates. Executive shall acquire no proprietary interest in any Confidential Information or Executive Developments developed or acquired during the Term. To the extent Executive may, by operation of law or otherwise, acquire any right, title or interest in or to any Confidential Information or Executive Development, Executive hereby assigns to the Company all such proprietary rights. Executive shall, both during and after the Term, upon the Company's request, promptly execute and deliver to the Company all such assignments, certificates and instruments, and shall promptly perform such other acts, as the

Company may from time to time in its reasonable discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's rights in Confidential Information and Executive Developments.

(f) COMPLIANCE WITH POLICIES AND PROCEDURES. During the Term, Executive shall adhere to the policies and standards of professionalism set forth in the Company's Policies and Procedures as they may exist from time to time.

(g) REMEDIES FOR BREACH. Executive expressly agrees and understands that Executive will notify the Company in writing of any alleged breach of this Agreement by the Company, and the Company will have 30 days from receipt of Executive's notice to cure any such breach. Executive expressly agrees and understands that the remedy at law for any breach by Executive of this Section 2 will be inadequate and that damages flowing from such breach are not usually susceptible to being measured in monetary terms. Accordingly, it is acknowledged that upon Executive's violation of any provision of this Section 2 the Company shall be entitled to obtain from any court of competent jurisdiction immediate injunctive relief and obtain a temporary order restraining any threatened or further breach as well as an equitable accounting of all profits or benefits arising out of such violation. Nothing in this Section 2 shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Section 2, which may be pursued by or available to the Company.

(h) SURVIVAL OF PROVISIONS. The obligations contained in this Section 2 shall, to the extent provided in this Section 2, survive the termination or expiration of Executive's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 2 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state.

3. WAIVER. Pursuant to Section 10(a) of the Stock Plan, in the event that there is consummated a "change in control," or "change of control" or similar transaction with respect to the Company, any Options and Stock Appreciation Rights issued to Executive and outstanding which are not then exercisable and vested shall become fully exercisable and vested. Notwithstanding such provision in the Stock Plan, Executive agrees that in the event of a Change in Control, not accompanied by a Termination without Cause or resignation for Good Reason and otherwise covered by Section 1(e) of these Standard Terms and Conditions, Executive shall waive such acceleration right and benefit with respect to the Non-Qualified Stock Option to purchase 1,100,000 shares of the Company's Common Stock awarded effective August 28, 2013 (the "2013 Option") and Executive agrees that in such event the 2013 Option shall not become fully exercisable and vested and, instead, shall vest in accordance with the original terms of the 2013 Option subject to the condition that the 2013 Option remains outstanding after the Change in Control.

4. MERGER. This Agreement constitutes the entire agreement between the parties and terminates and supersedes any and all prior agreements and understandings (whether written or oral) between the parties with respect to the subject matter of this Agreement. Executive acknowledges and agrees that neither the Company nor anyone acting on its behalf has made, and is not making, and in executing this Agreement, Executive has not relied upon, any representations, promises or inducements except to the extent the same is expressly set forth in this Agreement. All Stock Option Agreements and Restricted Stock Unit Agreements between Executive and the Company survive and are hereby incorporated by reference into this Agreement.

5. ASSIGNMENT; SUCCESSORS. This Agreement is personal in its nature and none of the parties hereto shall, without the consent of the others, assign or transfer this Agreement or any rights or obligations hereunder, provided that, in the event of a transfer of Executive to any entity affiliated with the Company and/or the merger, consolidation, transfer, or sale of all or substantially all of the assets of the Company with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder, and all references herein to the "Company" shall refer to such successor, provided, further, that Executive's estate and duly appointed representative thereof shall succeed to all of Executive's rights hereunder upon Executive's death and that Executive's duly appointed representative shall succeed to all of Executive's rights upon Executive's Disability.

6. WITHHOLDING. The Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to Executive hereunder, as may be required from time to time by applicable law, governmental regulation or order.

7. HEADING REFERENCES. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. References to "this Agreement" or the use of the term "hereof" shall refer to these Standard Terms and Conditions and the Employment Agreement attached hereto, taken as a whole.

8. WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist

upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect, or extended beyond expiration of the Term (regardless of continued employment), except by a writing executed by each party hereto.

9. SEVERABILITY. In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Agreement that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Agreement.

ACKNOWLEDGED AND AGREED AS OF THE EFFECTIVE DATE:

TRIPADVISOR LLC

By: /s/ Seth Kalvert

Title: SVP, General Counsel and Secretary

/s/ Stephen Kaufer

Stephen Kaufer

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, 2014 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 6, 2014

/s/ STEPHEN KAUFER

Stephen Kaufer

President and Chief Executive Officer

Certification

I, Julie M.B. Bradley, 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, 2014 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 6, 2014

/s/ JULIE M.B. BRADLEY

Julie M.B. Bradley

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, 2014, 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 6, 2014

/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, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Julie M.B. Bradley, 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 6, 2014

/s/ JULIE M.B. BRADLEY

Julie M.B. Bradley

Chief Financial Officer