Risk Factors Comparison 2024-02-23 to 2023-02-16 Form: 10-K

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In addition to the other information set forth in this annual report, you should consider carefully the risks and uncertainties described below, which could materially adversely affect our business, financial condition, results of operations, and cash flows. Risk Factors Summary The following is a summary of the principal risks and uncertainties described in more detail in this annual report: • Global economic conditions and the cyclical nature of the hospitality industry could adversely affect demand for travel and lodging, and hospitality- related businesses, and, as a result, our revenues, profitability, and future growth. • ~~The~~ **Risks relating to natural or man- made disasters, weather and climate- related events, contagious diseases, such as the** COVID- 19 pandemic ~~has had a material adverse impact on the travel industry generally and, as a result, on our business and results of operations, and, while the recovery accelerated in 2022, the pace and consistency of the global recovery remains uncertain, and the impacts of the pandemic may persist or become more pronounced in the future. • Risks relating to natural or man- made disasters, weather and climate- related events, contagious diseases, such as the COVID- 19 pandemic~~ , terrorist activity, and war could reduce the demand for lodging and hospitality- related businesses, which may adversely affect our financial condition and results of operations. • We operate in a highly competitive industry **,** and our revenues, profits, or market share could be harmed if we are unable to compete effectively. • New distribution channels, alternatives to traditional hotels, significant increases in the volume of sales made through third- party internet travel intermediaries, and industry consolidation among our competitors could have an adverse impact on consumer loyalty to our brands and hospitality- related businesses and may negatively impact our business. • If we are unable to establish and maintain key distribution arrangements for our properties and hospitality- related businesses, the demand for our rooms, hospitality- related services, and revenues could decrease. • Because we derive a portion of our revenues from operations outside the United States, we are subject to various risks of doing business internationally. • If we are unable to successfully operate the World of Hyatt loyalty program or further evolve the development and implementation of our digital platforms, loyalty for our brands, and our revenues, could be negatively impacted. • The success of the Unlimited Vacation Club **paid** membership program is dependent on offering preferred rate hotel inventory, providing members unique engagement experiences and benefits, as well as access to on- site sale opportunities and other key sales locations, and could be negatively impacted by lack of resort inventory, member terminations, or a failure to collect membership fees. • Adverse incidents at, or adverse publicity concerning, our **hotels or** businesses or our corporate responsibilities could harm our brands and reputation, as well as adversely affect our market share, business, financial condition, or results of operations. • Labor shortages could restrict our ability to operate our properties or grow our business or result in increased labor costs that could reduce our profits. • If we are unable to maintain good relationships with third- party ~~property~~ owners and franchisees and / or if our management **and hotel services agreements** or franchise agreements terminate, our revenues could decrease and our costs could increase. • Our growth strategy depends on attracting third- party owners and franchisees to our platform, and future arrangements with these third parties may be less favorable to us, depending on the terms offered by our competitors. • Some of our existing development pipeline may not be developed into new hotels or may not open on the anticipated timeline, which could affect our growth prospects. • If we or our third- party owners or franchisees are not able to maintain our brand standards or develop, redevelop, or renovate properties successfully, our business, profitability, and ability to compete effectively could be harmed. • We may be unable to sell selected owned properties at acceptable terms and conditions, if at all, or within targeted timeframes, and are exposed to risks resulting from significant investments in owned and leased real estate. • We may seek to expand our business through acquisitions of and investments in other businesses and properties, or through alliances, and these activities may be unsuccessful ~~or~~ **,** divert ~~our~~ management' s attention, or ~~the integration process of acquisitions may~~ take longer or be more difficult than anticipated **to integrate, including with respect to the implementation of internal controls over financial reporting** . • If we or our third- party owners, franchisees, or development partners are unable to repay or refinance loans secured by the mortgaged properties, access the capital necessary to fund current operations, or implement our plans for growth, our revenues, profits, and capital resources could be reduced and our business could be harmed. • If we become liable for losses related to loans we have provided or guaranteed to third parties or contractual arrangements with third- party owners and franchisees, our profits could be reduced. • Cyber risk and the failure to maintain the integrity of customer, colleague, or Company data could adversely affect our business, harm our reputation, and / or subject us to costs, fines, penalties, investigations, enforcement actions, or lawsuits. • Information technology system failures, delays in the operation of our information technology systems, or system enhancement failures could reduce our revenues and profits and harm the reputation of our brands and our business. • We have a limited ability to manage third- party risks associated with our hospitality venture investments, which could reduce our revenues, increase our costs, lower our profits, and / or increase our liabilities. • Our debt service obligations may adversely affect our cash flow and reduce our operational flexibility, and we are exposed to counterparty and credit risk and fluctuations in the market values of our investment portfolio. • Our failure, or the failure by third- party owners, franchisees, or hospitality venture partners, to comply with applicable laws and regulations may increase our costs, reduce our profits, or limit our growth. • Adverse judgments or settlements resulting from legal proceedings in which we may be involved could reduce our profits or limit our ability to operate our business. • Changes in federal, state, local, or foreign tax law, interpretations of existing tax law, or agreements or disputes with tax authorities could affect our profitability and financial condition by increasing our tax costs. • Any failure to protect our trademarks and intellectual property could reduce the value of our brand names and harm our business. • There can be no assurance that we will declare or pay dividends in the future or that we will repurchase shares pursuant to our share repurchase program consistent with historical amounts or at all. • Anti- takeover provisions in our organizational documents and Delaware law, as well as agreements with our major stockholders, may discourage or prevent a change of control transaction or any attempt by stockholders to replace or remove our board of directors or management. • Pritzker family business interests have substantial control over us and have the ability to control the election of directors and other matters submitted to stockholders for approval. Risks Related to the Hospitality Industry We are subject to macroeconomic and other factors beyond our control, as well as the business, financial, operating, and other risks of the hospitality industry, all of which may adversely affect our financial results and growth. Macroeconomic and other factors beyond our control as well as the business, financial, operating, and other risks of the hospitality industry can adversely affect demand for hospitality products and services. These factors include: • changes and volatility in general economic conditions, including as a result of rising interest rates, and the impact on consumer discretionary spending, including the severity and duration of any economic downturn in the U. S., Americas, Europe, Asia Pacific, or global economy and financial markets; • war, political conditions or uncertainty, civil unrest, protests, terrorist activities or threats, and heightened travel security measures instituted in response to these events; • global outbreaks of pandemics, epidemics, endemics, or contagious diseases, such as the COVID- 19 pandemic, or fear of such outbreaks; • climate change and resource scarcity, such as water and energy scarcity; • natural or man- made disasters, weather and climate- related events, such as earthquakes, tsunamis, tornadoes, hurricanes, droughts, floods, wildfires, oil spills, and nuclear incidents; • changes in the desirability of particular locations or travel patterns of customers; • decreased corporate **profits, which may negatively impact corporate** budgets and spending **allocated to** ~~and cancellations, deferrals, or renegotiations of~~ group **and individual** business **travel** ; • decreased demand for business- related travel for in- person meetings due to technological advancements in, and consumer acceptance and adaptation to, virtual meetings and conferences and / or changes in guest and consumer preferences; • global supply chain constraints and interruptions, rising costs of construction- related labor and materials, and increased costs due to inflation or other factors that may not be fully offset by increases in revenues in our business; • low consumer confidence, high levels of unemployment, and depressed housing prices; • the financial condition of the airline, automotive, and other transportation- related industries and its impact on travel; • decreased airline capacities and routes; • increasing awareness around sustainability, corporate responsibility, the impact of air travel on climate change and the impact of over- tourism; • travel- related accidents; • oil prices and travel costs; • statements, actions, or interventions by governmental officials related to travel and corporate travel- related activities and the resulting negative public perception of such travel and activities; • domestic and international political and ~~geo- political~~ **geopolitical** conditions, including changes in trade policy; • changes in taxes and governmental regulations that influence or set wages, prices, interest rates, or construction and maintenance procedures and costs; • the costs and administrative burdens associated with compliance with applicable laws and regulations; • changes in operating costs, including, but not limited to, labor (including minimum wage increases), energy, food, workers' compensation, benefits, insurance, and unanticipated costs resulting from force majeure events; • significant increases in cost for healthcare coverage for employees and potential government regulation with respect to health coverage; • the lack of availability, or increase in the cost, of capital for us or our existing and potential property owners; • the attractiveness of our properties and services to consumers and potential owners and competition from other hotels and alternative lodging marketplaces, including online accommodation search and / or reservation services, and hospitality- related businesses; • cyclical over- building in the hotel, all- inclusive, and vacation ownership industries; and • organized labor activities, which could cause a diversion of business from hotels involved in labor negotiations and loss of group business for our hotels generally as a result of certain labor tactics. These factors, and the reputational repercussions of these factors, can adversely affect, and from time to time have adversely affected, individual properties, particular regions, ~~or~~ **and** our business as a whole. How we manage any one or more of these factors, or any crisis, could limit or reduce demand for the services we provide or the rates our portfolio of properties are able to charge for rooms or services, which could adversely affect our financial results and growth. These factors can also increase our costs or affect our ability to develop new properties or maintain and operate our existing portfolio of properties. The hospitality industry is cyclical and adverse global economic conditions or low levels of economic growth could adversely affect our revenues and profitability as well as cause a decline in or limitation of our future growth. Consumer demand for our products and services is closely linked to global and regional economic conditions and is sensitive to business and personal discretionary spending levels. Changes in consumer demand and general business cycles can subject, and have subjected, our revenues to significant volatility. Adverse general economic conditions, health and safety concerns, risks or restrictions affecting or reducing travel patterns, lower consumer confidence, high unemployment, ~~or~~ adverse political conditions **, among other factors,** can result in a decline in consumer demand, which can lower the revenues and profitability of our owned and leased properties, decrease the amount of management and franchise fee revenues we are able to generate from our managed and franchised properties, reduce sales and revenues associated with Unlimited Vacation Club memberships, and decrease the demand for vacation packages sold through ALG Vacations. In addition, a portion of our expenses associated with managing, franchising, licensing, owning, or leasing hotels as well as residential ~~,~~ **and** vacation ~~, and condominium~~ units are fixed. These costs include personnel costs, interest, rent, property taxes, insurance, and utilities, all of which may increase at a greater rate than our revenues and / or may not be able to be reduced at the same rate as declining revenues. Where cost- cutting efforts are insufficient to offset declines in revenues, we could experience a material decline in margins and reduced or negative cash flows. If we are unable to decrease costs significantly or rapidly when demand for our hotels and other properties decreases, the decline in our revenues could have a particularly adverse impact on our net cash flows and profits. Economic downturns generally affect the results derived from owned and leased properties more significantly than those derived from managed and franchised properties due to the proportion of fixed costs associated with operating an owned or leased property and the greater exposure owners have to the properties' performance. Our proportion of owned and leased properties, compared to the number of properties we manage ~~or~~ **,** franchise **, or provide services to** for third- party owners and franchisees, is larger than that of many of our competitors and, as a result, an environment of depressed demand could have a greater adverse effect on our results of operations. As a result, changes in consumer demand and general business cycles can subject, and have subjected, our revenues, earnings, and results of operations to significant volatility. Uncertainty regarding the future rate and pace of economic growth in different regions of the world makes it difficult to predict future profitability levels. Additionally, if economic weakness were to affect any particular regions of the world, it could have an adverse impact on our revenues and negatively affect our profitability. In addition to general economic conditions, new hotel room supply is an important factor that can affect the hospitality industry' s performance. Excessive growth in lodging supply could result in returns that are substantially below expectations or result in losses, which could materially and adversely affect our revenues, profitability, and future growth prospects. ~~The COVID- 19 pandemic has been a complex and evolving situation and has resulted in significant disruption and additional risks to our business; the lodging, hospitality, and travel industries; and the global economy. While our business is experiencing continued and accelerated recovery from the COVID- 19 pandemic led by robust leisure demand and growing momentum in group and business transient travel, future demand may be varied and uneven as the pace and consistency of the global recovery continues to progress and remains uncertain. The extent, duration, and magnitude of the effects of the COVID- 19 pandemic, and its eventual transition to a global endemic, will depend on various factors, all of which are uncertain and difficult to predict, including, but not limited to, the pace and consistency of the ongoing recovery; the impact on global and regional economies, travel demand and economic activity; levels of consumer confidence; the efficacy of vaccines and treatments as new COVID- 19 variants emerge; the ability of our third- party owners, franchisees, or hospitality venture partners to successfully navigate the effects of the pandemic; and actions taken by governments, businesses, and individuals in response to the pandemic and any additional COVID- 19 resurgences or variants. In addition, as the COVID- 19 pandemic evolves, differing actions taken by governments around the world with respect to travel bans or restrictions or economic activity could result in varying impacts to the results of operations of our reportable segments. For instance, our ASPAC management and franchising segment has lagged in the overall global recovery as certain governments in the region imposed strict COVID- 19 restrictions. The COVID- 19 pandemic has subjected our business, operations, and financial condition to a number of significant risks, including with respect to: • reduced revenues and profitability of our managed and franchised properties, owned and leased properties, and hospitality- related businesses; • the ability of our managed and franchised hotels, owned and leased hotels, and hospitality- related businesses to meet expenses, including to service, repay or refinance existing indebtedness or similar obligations such as loans or guaranty advances we have made to or for them; • the potential for more expensive or restrictive debt financing alternatives or access to capital, which may be required to preserve financial flexibility, repay maturing indebtedness, or manage debt maturities; • operational challenges, including with respect to enhanced health and safety measures, global care and cleanliness certifications, and our ability to maintain brand standards across our portfolio; • actions taken, or that we may take in the future, to reduce costs for us or our third- party owners or franchisees that may cause us to experience operational challenges, and may negatively impact guest loyalty, owner preference, or our ability to attract and retain colleagues; • adverse impacts on the pace and timing of our growth, including as a result of difficulty for certain third- party owners and franchisees to obtain commercially viable financing; • persistent construction and opening delays as a result of business activity restrictions, supply chain interruptions, and rising costs of construction- related labor and materials, which could result in some portion of our current development pipelines not to be completed and developed into new hotels; • the growth rate of our development pipeline, and the potential for properties in our existing system- wide inventory to exit, which would negatively impact our net rooms growth. In addition, the COVID- 19 pandemic, and the volatile regional and global economic conditions stemming from the COVID- 19 pandemic, any additional resurgence, or COVID- 19 variants could precipitate, aggravate, or impact the other risk factors included in this annual report, which in turn could further materially adversely affect our business, financial condition, liquidity, results of operations, and profitability, including in ways that are not currently known to us or that we do not currently consider to present significant risks.~~ Risks relating to natural or man- made disasters, weather and climate- related events, contagious diseases, such as the COVID- 19 pandemic, terrorist activity, and war could reduce the demand for lodging, which may adversely affect our financial condition and results of operations. Hurricanes, earthquakes, tsunamis, tornadoes, droughts, wildfires, and other man- made or natural disasters, as well as the spread or fear of the spread of contagious diseases in locations where we own, lease, manage, or franchise significant properties and areas of the world from which we draw a large number of guests, could cause a decline in the level of business and leisure travel in certain regions or as a whole and reduce the demand for lodging, which may adversely affect our financial **condition** and operating performance ~~, as has been the case with the COVID- 19 pandemic~~ . ~~See also" Risks Related to the Hospitality Industry —~~ The COVID- 19 pandemic ~~has had a material adverse~~ **resulted in significant disruption and additional risks to our business, the lodging, hospitality, and travel industries, and the global economy. While each of our business segments have recovered compared to pre- COVID- 19 pandemic results in 2019, potential concerns about public health either related to COVID- 19 or otherwise may** impact ~~on the~~ travel **demand** ~~industry generally~~ and **consumer confidence in the future. In addition** , ~~as a~~ **differing actions taken by governments around the world with respect to travel bans or restrictions or economic activity could** result ~~, on~~ **in varying regional impacts to** our business ~~and results of operations~~ **performance. For instance** , **our ASPAC management** and **franchising segment lagged** ~~while the recovery accelerated~~ in ~~2022,~~ the **overall** ~~pace and consistency of the~~ global recovery ~~remains~~ **as** ~~uncertain~~ -- **certain travel- related restrictions took longer to ease** ~~, and the impacts of the pandemic may persist or become more pronounced in the future~~ . ~~"~~ Actual or threatened war, terrorist activity, political unrest, civil strife, and other geopolitical uncertainty could have a similar effect on our financial condition or our growth strategy. Any one or more of these events may reduce the overall demand for hotel rooms or limit the prices we can obtain for them, both of which could adversely affect our profits and financial results. We are also subject to the risks associated with the physical effects of climate change, including changes in sea levels, water shortages, storms, flooding, droughts, wildfires, extreme temperature events, and other natural disasters. Such disasters may become more frequent or intense as a result of climate change. Climate change may also result in chronic physical effects, including rising sea levels and changes in temperature and precipitation patterns **. These risks may also have impacts on our properties' access to, and costs with respect to, energy, and may impose additional requirements on our properties, including energy efficiency requirements. In addition, a variety of legislation and regulations are being enacted, or considered for enactment, relating to energy and climate change, such as carbon dioxide emissions control and building codes that impose energy efficiency standards. Moreover, as climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and to make compliance more costly** . As a result of the foregoing, we may experience increased costs or decreased availability of certain products important to our operations, including but not limited to insurance, water, and energy. Risks Related to Our Business Competition Risks Because we operate in a highly competitive industry, our revenues, profits, or market share could be harmed if we are unable to compete effectively, and new distribution channels, alternatives to traditional hotels, and industry consolidation among our competitors may negatively impact our business. The segments of the hospitality industry in which we operate are subject to intense competition. Our principal competitors are other operators of full service, select service, extended stay, and all- inclusive properties, including other major hospitality chains with well- established and recognized brands, as well as cruise line operators. Some of these major hospitality chains are larger than we are based on the number of properties or rooms they manage, franchise, own, or lease or based on the number of geographic locations in which they operate. Some of our competitors also have significantly more members participating in their loyalty programs or paid vacation programs which may enable them to attract more customers and more effectively retain such guests. Our competitors may also have greater financial and marketing resources than we do, which could allow them to improve their properties and expand and improve their marketing efforts in ways that could adversely affect our ability to compete for guests effectively. In addition to these competitors, we also compete against smaller hotel chains and independent and local hotel owners and operators. **We** ~~Increasingly, we~~ also face competition from new channels of distribution in the travel industry. Additional sources of competition include large companies that offer online travel services as part of their business model, such as Alibaba, search engines such as Google, and peer- to- peer inventory sources that allow travelers to book stays on websites that facilitate the short- term rental of homes and apartments from their owners, thereby providing an alternative to hotel rooms, such as Airbnb and Vrbo. The hospitality industry has experienced significant consolidation, and we expect this trend may continue as companies attempt to strengthen or hold their market positions in a highly competitive and evolving industry. Consolidation by our competitors would give them increased scale and may enhance their capacity, abilities, and resources and lower their cost structure, causing us to be at a competitive disadvantage. If we lose market share or are not able to successfully attract third- party ~~hotel~~ owners **and franchisees** to our brands as a result of this consolidation, our results of operations, cash flow, business, and overall financial condition could be materially adversely affected. Significant increases in the volume of sales made through third- party internet travel intermediaries could have an adverse impact on consumer loyalty to our brand and could negatively affect our revenues and profits. We expect to continue to derive most of our business from our direct channels of distribution, including our digital platforms. However, consumers worldwide routinely use internet travel intermediaries such as Expedia. com, Priceline. com, Booking. com, Travelocity. com, and Orbitz. com, as well as lesser- known online travel service providers, to book travel. These intermediaries initially focused on leisure travel, but now also provide offerings for corporate travel and group meetings. Some of these intermediaries are attempting to increase the importance of generic quality indicators ~~(~~ **,** such as" four- star downtown hotel **,** " ~~)~~ at the expense of brand identification. These intermediaries hope that consumers will eventually develop brand loyalties to their reservation systems rather than to our brands. Some of these intermediaries have launched their own loyalty programs to further develop loyalties to their reservation systems. In addition, these intermediaries typically obtain higher commissions or other potentially significant contract concessions, increasing the overall cost of these third- party distribution channels. If the volume of sales made through internet travel intermediaries continues to increase, consumers may develop stronger loyalties to these intermediaries rather than to our brands, our distribution costs could increase significantly, and our business revenues and profits could be harmed. If we are unable to establish and maintain key distribution arrangements for our properties or hospitality- related businesses, the demand for our rooms, hospitality- related services, and revenues could decrease. **The** ~~Increasingly, the~~ rooms at hotels and resorts that we manage, franchise, own, or lease ~~are~~ **may be** booked through third- party internet travel intermediaries and online travel service providers. We also engage third- party intermediaries, including travel agencies and meeting and event management companies, who collect fees by charging our hotels and resorts a commission on room revenues. A failure by our distributors to attract or retain their customer bases could lower demand for hotel rooms and, in turn, reduce our revenues. In addition, some of our distribution agreements are not exclusive, are short term, are terminable at will, or are subject to early termination provisions. The loss of distributors, increased distribution costs, or the renewal of distribution agreements on less favorable terms could adversely impact our business. In addition, the success of ALG Vacations is dependent on distribution arrangements with various third parties such as hotel companies, travel agencies, and tour operators who provide the various components of vacation packages offered to customers, and certain cooperative marketing agreements with governments in various jurisdictions to market a particular destination for travel. In addition, our marketing and distribution agreements with airline vacation brands are generally terminable at will by either party with short notice periods. The loss of participation by third- party providers or the failure to maintain distribution arrangements or cooperative agreements on favorable terms could adversely impact these businesses. We compete for guests, customers, management and **hotel services agreements,** franchise agreements, and residential ~~,~~ **and** vacation ~~, and condominium~~ units based on a variety of factors. We compete for guests at hotels and resorts and for customers of our services and paid vacation program, based primarily on brand name recognition and reputation, location, customer satisfaction, room rates, quality of service, amenities, quality of accommodations, security, our cancellation policy, the ability to earn and redeem loyalty program points, and access preferred rate hotel inventory. We compete for management **and hotel services** agreements based primarily on the value and quality of our management **and hotel** services, our brand name recognition and reputation, the level of our management fees, room rate expectations, the cost of our system- wide services, the terms of our management **and hotel services** agreements, including compared to the terms our competitors offer, and the economic advantages to the property owner of retaining our management **and hotel** services and using our brand name. We compete for franchise agreements primarily based on brand name recognition and reputation, the room rate that can be realized, the cost of our system- wide services, and the royalty fees charged. Other competitive factors for management and **hotel services agreements and** franchise agreements are relationships with property owners and investors, availability and affordability of financing, marketing support, loyalty programs, reservation and e- commerce system capacity and efficiency, distribution channels, limitations on the expansion of one or more of our brands in certain geographic areas due to restrictions previously agreed to in order to secure management and franchise opportunities, and the ability to provide capital that may be necessary to obtain management and **hotel services agreements and** franchise agreements. The residential ~~,~~ **and** vacation ~~, and condominium~~ units which we manage, own, or to which we provide services or license our trademarks compete with other properties principally on the basis of location, quality of accommodations, price, financing terms, quality of service, terms of property use, opportunity to exchange for time at other vacation properties, as applicable, and brand name recognition and reputation. In addition, our residential ~~and condominium~~ units compete with peer- to- peer inventory sources that allow travelers to book stays on websites that facilitate the short- term rental of homes and apartments from owners, such as Airbnb, Vrbo, and Vacasa, and residential projects affiliated with branded hospitality companies. Our vacation ownership business also competes with national and independent vacation ownership club operators and owners reselling their interests in these properties, which could reduce demand or prices for new vacation **units** ~~ownership properties~~ . Operational Risks The risks of doing business internationally, or in a particular country or region, could lower our revenues, increase our costs, reduce our profits, or disrupt our business. Our operations outside the United States represented approximately ~~23~~ **24** % of our revenues for the year ended December 31, ~~2022~~ **2023** . Our properties outside of the United States represent approximately ~~50~~ **51** % of the rooms in our system- wide inventory at December 31, ~~2022~~ **2023** . Over the long term, we expect our international operations may account for an increasing portion of our total revenues and rooms. As a result, we are subject to the risks of doing business outside the United States, including: • the costs of complying with laws, regulations, and policies, including taxation policies, of foreign governments relating to investments and operations; the costs or desirability of complying with local practices and customs; and the impact of various anti- corruption and other laws affecting the activities of U. S. companies abroad; • currency exchange rate fluctuations or currency restructurings; • evolving local data residency requirements that require data to be stored only in and, in some cases, also to be accessed only from within a certain jurisdiction; • U. S. taxation of income earned abroad; • limitations on the redeployment of non- U. S. earnings; • import and export licensing requirements and regulations, as well as unforeseen changes in regulatory requirements, including the imposition of tariffs or embargoes, export regulations, controls, and other trade restrictions; • political and economic instability; • health and safety protocols, including global care and cleanliness certifications, at our portfolio of properties; • the complexity of managing an organization doing business in many jurisdictions; • uncertainties as to local laws and enforcement of contract and intellectual property rights and occasional requirements for onerous contract clauses; and • rapid changes in government, economic, and political policies; political or civil unrest; acts of war or terrorism; or the threat of international boycotts or U. S. anti- boycott legislation. While these factors and the impact of these factors are difficult to predict, any one or more of them could lower our revenues, affect our operations, increase our costs, reduce our profits, or disrupt our business. In addition, conducting business in currencies other than U. S. dollars subjects us to fluctuations in currency exchange rates, currency devaluations, or restructurings that could have a negative impact on our financial results. Our exposure to foreign currency exchange rate fluctuations or currency restructurings is expected to continue to grow if the relative contribution of our operations outside the United States increases. We occasionally enter into foreign exchange hedging agreements with financial institutions to reduce certain of our exposures to fluctuations in currency exchange rates. However, these hedging agreements may not eliminate foreign currency risk entirely and involve costs and risks of their own, such as ongoing management time and expertise and external costs related to executing hedging agreements. The World of Hyatt loyalty program and our digital platforms build loyalty for our brands and drive hotel revenue which could be negatively impacted if we are unable to successfully operate the World of Hyatt loyalty program or further evolve the development and implementation of our digital platforms. The World of Hyatt loyalty program is a platform for engagement with our most loyal guests, providing increased benefits and recognition as they continue to engage with Hyatt. We believe World of Hyatt will continue to develop loyalty by fostering personal relationships and creating emotional connections that inspire brand preference. The success of our business depends in part on attracting new consumers, enhancing digital platforms that are preferred by guests, and driving continued participation in the loyalty program. If guests, third- party owners, or franchisees do not accept the loyalty platform or if we are unable to operate the loyalty program successfully, our business could be adversely impacted. Further, our digital platforms are focused on driving outstanding guest experiences that differentiate Hyatt and drive revenue through direct bookings ~~,~~ but may not deliver all or part of the expected benefits. If our digital platforms do not evolve in a way that is able to adapt to future technology or keep pace with changes in consumer preferences, our hotel performance could become increasingly challenged. In addition, ~~as part of the ALG Acquisition,~~ we continue to identify ways in which the World of Hyatt loyalty program and the Unlimited Vacation Club **paid** membership program will continue to offer added value and unique benefits to ~~loyalty~~ **World of Hyatt** members and Unlimited Vacation Club members. The expected benefits and added value from the two programs, however, may take longer to realize, or may require additional resources than originally expected, which could adversely affect our relationships with guests, customers, Unlimited Vacation Club members, and third- party owners or franchisees, as well as our business, financial condition, or results of operations. The Unlimited Vacation Club is a paid membership program that is dependent on offering preferred rate hotel inventory, and access to key sales locations, including on- site sale opportunities and could be negatively impacted by lack of resort inventory, member terminations, or a failure to collect membership fees. Unlimited Vacation Club memberships are sold onsite at ALG resorts and other select locations **,** and the failure to maintain good relationships with third- party owners to continue selling Unlimited Vacation Club memberships onsite and negotiate other favorable sales locations could have a material adverse effect on the success and future growth of the Unlimited Vacation Club membership program. In addition, if future sales efforts are not successful, if third- party owners do not accept the Unlimited Vacation Club **membership** program, or if we are unable to operate the program successfully, our business could be adversely impacted. Unlimited Vacation Club memberships are generally long- term in nature with membership fees being paid either upfront or collected over time ~~,~~ and are subject to certain termination rights. If new members are not enrolled, memberships are not renewed, memberships are canceled, or we are unable to timely collect membership fees, our business, financial condition, or results of operations could be negatively impacted. Our brands and our reputation are among our most important assets. Our reputational value is based, in part, on the external perceptions of Hyatt, the quality of our hotels and services, and our corporate and management integrity. We may experience harm to our reputation, loss of consumer confidence, or a negative impact to our results of operations as a result of an incident involving the potential safety or security of our guests, customers, or colleagues; adverse publicity regarding safety or security of travel destinations around the globe or at our competitors' properties, or in respect of our third- party vendors or owners and the industry; or any media coverage resulting therefrom. Additionally, our reputation could be harmed if we fail, or are perceived to fail, to comply with various regulatory requirements or if we fail to act responsibly or are perceived as not acting responsibly in a number of areas such as health, safety and security; data security; diversity and inclusion; group events with controversial groups or speakers; sustainability; responsible tourism; environmental stewardship; supply chain management; climate change; human rights; **geopolitical crises;** philanthropy and support for local communities; and corporate governance. We manage a broad range of corporate responsibility matters, taking into consideration their expected impact on the sustainability of our business over time, and the potential impact of our business on society and the environment. Despite our efforts, consumer travel preferences may shift due to sustainability- related concerns or costs. In addition, stakeholder expectations regarding such matters are evolving, and we may experience engagement from stakeholders of differing views on these matters. Adverse incidents with respect to our corporate responsibility efforts could impact the value of our brands or our reputation, the cost of our operations, and relationships with investors and stakeholders, all of which could adversely affect our business and results of operations. The continued expansion in the use and influence of social media has compounded the potential scope of negative publicity that could be generated, lead to litigation or governmental investigations, or damage our reputation. Adverse incidents have occurred in the past and may occur in the future. Negative incidents could lead to tangible adverse effects on our business, including lost sales, boycotts, reduced enrollment and / or participation in the loyalty program, or paid membership program, disruption of access to our digital platforms, loss of development opportunities, or reduced colleague retention and increased recruiting difficulties. Any decline in the reputation or perceived quality of our brands or corporate image could adversely affect our market share, business, financial condition, or results of operations. Our success depends in large part on the ability to attract, retain, train, manage, and engage our colleagues. Our properties are staffed 24 hours a day, seven days a week by thousands of colleagues around the world. If we and our third- party owners or franchisees are unable to attract, retain, train, and engage skilled colleagues, the ability to manage and staff properties adequately could be impaired, which could reduce customer satisfaction and limit our ability to grow and expand our business. We have experienced challenges hiring for certain on- property and corporate positions due to various factors, such as competition for labor from other industries, and these circumstances could continue or worsen in the future to an extent and for durations that we are not able to predict. Labor shortages have resulted and could continue to result in higher wages and initial hiring costs, increasing our labor costs at our hotels, which could reduce our revenues and profits. Management **and Hotel Services** , Franchising, Ownership, Development, and Financing Risks If we are unable to maintain good relationships with third- party ~~property~~ owners and franchisees and / or if we terminate agreements with defaulting third- party ~~property~~ owners and franchisees, our revenues could decrease and we may be unable to maintain or expand our presence. We earn fees for ~~managing and~~ **the provision of management,** franchising **, and hotel services to** hotels and other properties and expect franchise ownership to continue to increase over time. The viability of our management and franchising business depends on our ability to establish and maintain good relationships with third- party ~~property~~ owners and franchisees. Third- party developers, property owners, and franchisees are focused on maximizing the value of their investment and working with a management company or franchisor that can help them be successful. The effectiveness of our management, the value of our brands, and the rapport we maintain with our third- party ~~property~~ owners and franchisees impact renewals of existing agreements and are also important factors for existing or new third- party ~~property~~ owners or franchisees considering doing business with us. Our relationships with these third parties generate additional management and **hotel services agreement and** franchise agreement expansion opportunities that support our growth. As such, if we are unable to maintain good relationships with these third parties, our revenues could decrease or we may be unable to maintain or expand our presence. In addition, if third- party ~~property~~ owners or franchisees breach the terms of our agreements with them, we may elect to exercise our termination rights, which would eliminate our revenues from these properties and cause us to incur expenses related to terminating these relationships. These risks become more pronounced during economic downturns. Contractual and other disagreements with third- party ~~property~~ owners or franchisees could make us liable to them or result in litigation costs or other expenses, which could lower our profits. Our management and **hotel services agreements and** franchise agreements require us and third- party ~~property~~ owners or franchisees to comply with operational and performance conditions that are subject to interpretation and could result in disagreements. Additionally, some courts have applied principles of agency law and related fiduciary standards to managers of third- party hotel properties like us, which means, among other things, that property owners may assert the right to terminate management **and hotel services** agreements even where the agreements do not expressly provide for termination. In the event of any such termination, we may need to enforce our right to damages or negotiate damages that may not equal expected profitability over the term of the agreement. We generally seek to resolve any disagreements with our third- party ~~property~~ owners or franchisees amicably. Formal dispute resolution occurs through arbitration, if provided under the applicable management **and hotel services agreement** or franchise agreement, or through litigation. We cannot predict the outcome of any such arbitration or litigation, the effect of any adverse judgment of a court or arbitrator against us, or the amount of any settlement we may enter into with any third party. If our management **and hotel services agreements** or franchise agreements terminate prematurely or we elect to make cure payments due to failures to meet performance tests or upon the occurrence of other stated events, our revenues could decrease and our costs could increase. Our management **and hotel services agreements** and franchise agreements may terminate prematurely in certain cases. Some of our management **and hotel services** agreements provide early termination rights to owners of the hotels we manage upon the occurrence of a stated event, such as the sale of the hotel or our failure to meet a specified performance test, and some of our management **and hotel services** agreements grant hotel owners the right to terminate the ~~hotel management~~ agreement and convert the hotel to a Hyatt franchise. Generally, termination rights under performance tests are based on the property' s individual performance, its performance when compared to a specified set of competitive hotels branded by other hotel operators, or both. Some agreements require a failure of one test, and other agreements require a failure of more than one test, before termination rights are triggered. These termination rights are usually triggered if we do not meet the performance tests over multiple years. Generally, we have the option to cure performance failures by making an agreed- upon cure payment. However, our cure rights may be limited, and the failure to meet the performance tests may result in the termination of our management **and hotel services** agreement. In the past, we have (1) failed performance tests, received notices of termination, and elected to make cure payments, (2) failed performance tests and negotiated an alternative resolution, and (3) failed performance tests and elected not to make a cure payment. When any termination notice is received, we evaluate all relevant facts and circumstances at the time in deciding whether to cure. See Part IV, Item 15," Exhibits and Financial Statement Schedule — Note 15 to our Consolidated Financial Statements" for more information related to performance test payments. In addition, some of our management **and hotel services** agreements give third- party ~~property~~ owners the right to terminate upon payment of a termination fee to us after a certain period of time, upon sale of the property, or another stated event. Our franchise agreements typically require franchisees to pay a fee to us before terminating. In addition, if an owner files for bankruptcy, our management **and hotel services agreements** and franchise agreements may be terminable under applicable law. If a management **and hotel services agreement** or franchise agreement terminates, we would lose the revenues we derive from that agreement and could incur costs related to ending our relationship with the third party and exiting the property. Our growth strategy includes entering into and maintaining various arrangements with property owners. The terms of our management **and hotel services** agreements and franchise agreements are influenced by contract terms offered by our competitors, among other things. We cannot assure you that any of our current arrangements will continue or that we will be able to enter into future arrangements, renew agreements, or enter into new agreements in the future on terms that are as favorable to us as those that exist today. Some of our existing development pipeline may not be developed into new hotels or may not open on the anticipated timeline, which could materially adversely affect our growth prospects. At December 31, ~~2022~~ **2023** , our executed contract base consisted of approximately ~~580~~ **650** hotels, or approximately ~~117~~ **127** , 000 rooms. The commitments of owners and developers with whom we have agreements are subject to numerous conditions, and the eventual development and construction of our pipeline not currently under construction is subject to numerous risks, including, in certain cases, obtaining governmental and regulatory approvals and adequate financing. As a result, we cannot assure you that our entire development pipeline will be completed and developed into new hotels or that those hotels will open when anticipated, which may impact our net rooms growth. We also cannot assure you that consumer demand will meet the new supply as hotels open. The current macroeconomic environment ~~,~~ **and** rising interest rates ~~, and the lingering effects of the COVID- 19 pandemic~~ have resulted in, and could continue to result in, difficulties for certain hotel owners and franchisees to obtain commercially viable financing, which may negatively impact our future development pipeline. If we or our third- party owners or franchisees are not able to maintain our current brand standards or we are not able to develop new initiatives, including new brands, successfully, our business and profitability could be harmed. We manage and franchise properties owned by third parties under the terms of management and **hotel services agreements and** franchise agreements and expect franchise ownership to continue to increase significantly over time. These agreements require third- party ~~property~~ owners or franchisees to comply with standards that are essential to maintaining our brand integrity and reputation. We depend on third- party ~~property~~ owners or franchisees to comply with these requirements by maintaining and improving properties through investments, including investments in furniture, fixtures, amenities, and personnel. If our third- party ~~property~~ owners or franchisees fail to make investments necessary to maintain or improve the properties we manage ~~or~~ **,** franchise **, or provide services to** , our brand preference and reputation could suffer. Moreover, third- party owners or franchisees may be unwilling or unable to incur the cost of complying with brand standards for new and existing brands as such brands may evolve from time to time. This could result in poor hotel performance, cause us to absorb costs to ensure that brand standards come to market in a timely fashion, or result in us exerting resources to terminate agreements with such third- party owners or franchisees. Moreover, as we continue to increase our franchised hotel presence, our ability to maintain brand standards may become increasingly challenging. In addition, we are continually evaluating and executing new initiatives, including new brands or marketing programs. We have invested capital and resources in owned and leased real estate, property development, brand development, and brand promotion. If such initiatives are not well received by our colleagues, guests, and owners, they may not have the intended effect. We may not be able to recover the costs incurred in developing and launching new brands or other initiatives or to realize their intended or projected benefits, which could lower our profits. Certain of our contractual arrangements with third- party owners require us to guarantee payments to the owners if specified levels of operating profit are not achieved by their hotels. The terms of certain guarantees to hotel owners may require us to fund shortfalls if the hotels do not attain specified levels of operating profit. This guaranteed funding to hotel owners may not be recoverable to us and could lower our profits and reduce our cash flows. ~~For example~~ **Through acquisitions** , we acquired certain management **and hotel services** agreements ~~in the ALG Acquisition~~ with performance guarantees ~~expiring between 2023 and 2045. These performance guarantees are~~ based on annual performance levels and ~~we~~ **with expiration dates between 2027 and 2045. We** could be required to make payments, which could be material, pursuant to these guarantees. While neither the cumulative payments to date, nor expected payments, under this and other guarantees have been, or are expected to be, significant to our liquidity, future payments under these performance guarantees may adversely affect our financial performance and results of operations. See Part IV, Item 15," Exhibits and Financial Statement Schedule — Note 15 to our Consolidated Financial Statements" for more information related to our guarantees. We are exposed to the risks resulting from significant investments in owned and leased real estate, which could increase our costs, reduce our profits, limit our ability to respond to market conditions, or restrict our growth strategy. Our proportion of owned and leased properties, compared to the number of properties that we manage ~~or~~ **,** franchise **, or provide services to** for third- party owners and franchisees, is larger than that of many of our competitors. Real estate ownership and leasing is subject to risks not applicable to managed or franchised properties **,** which could adversely affect our results of operations, cash flow, business, and overall financial condition, including: • governmental regulations relating to real estate ownership; • real estate, insurance, zoning, tax, environmental, and eminent domain laws; • the ongoing need for owner- funded capital improvements and expenditures to maintain or upgrade properties; • risks associated with mortgage debt, including the possibility of default, fluctuating interest rate levels, and the availability of replacement financing; • risks associated with the possibility that cost increases will outpace revenue increases and that in the event of an economic slowdown, the high proportion of fixed costs will make it difficult to reduce costs to the extent required to offset declining revenues; • fluctuations in real estate values or potential impairments in the value of our assets; and • the relative illiquidity of real estate compared to some other assets. We plan to sell selected properties; however, we may be unable to sell selected owned properties at acceptable terms and conditions, if at all, or within targeted timeframes. As part of our capital strategy, including our additional commitment announced in August 2021 to realize $ 2. 0 billion of proceeds from the sale of owned assets by December 31, 2024, we plan, from time to time, to sell certain properties, subject to a management **and hotel services agreement** or franchise agreement, with the primary purpose of reinvesting the proceeds to support the growth of our business. As we actively market and look to sell selected properties, general economic conditions, rising interest rates ~~, impacts of the COVID- 19 pandemic~~ , and / or property- specific issues may negatively affect the value of our properties, prevent us from selling the property on acceptable terms, or prevent us from selling properties within our previously announced timeframe. We cannot guarantee that we will be able to consummate any such sales on commercially reasonable terms or at all, or that we will realize any anticipated benefits from such sales. Real estate investments often cannot be sold quickly. Dispositions of real estate assets can be particularly difficult in a challenging economic environment as financing alternatives are often limited for potential buyers. As a result, economic conditions and rising interest rates may prevent potential purchasers from obtaining financing on acceptable terms, if at all, thereby delaying or preventing our ability to sell the properties selected for disposition. Our inability to sell assets, or to sell such assets at attractive prices, could have an adverse impact on our ability to realize proceeds for reinvestment, return capital to stockholders, repay our debt, and / or execute ~~on~~ our long- term strategy. In addition, even if we are successful in consummating sales of selected properties, such dispositions may result in losses. We may seek to expand our business through acquisitions of and investments in other businesses and properties, or through alliances, and these activities may be unsuccessful or divert our management' s attention **, and the success of any acquisition will depend, in part, on our ability to integrate the acquisition with our existing operations, including with respect to the implementation of internal controls over financial reporting** . We consider strategic and complementary acquisitions of and investments in other businesses, properties, brands, or other assets as part of our growth strategy. For instance, in 2021, we completed the ALG Acquisition, and in ~~February~~ 2023, we completed the ~~acquisition~~ **acquisitions** of Dream Hotel Group' s lifestyle hotel ~~brand~~ **brands** and management **platform and Mr & Mrs Smith' s boutique and luxury global travel** platform. We may also pursue opportunities in alliance with existing or prospective owners of managed or franchised properties. In many cases, we will be competing for these opportunities with third parties that may have substantially greater financial resources than we do. Acquisitions of or investments in hospitality companies, businesses, properties, brands, or assets, as well as these alliances, are subject to risks that could affect our business, including risks related to: • spending cash and incurring debt; • assuming contingent liabilities; • contributing properties or related assets to hospitality ventures that could result in recognition of losses; • creating additional transactional and operating expenses; or • issuing shares of stock that could dilute the interests of our existing stockholders. We cannot assure you that we will be able to identify opportunities or complete transactions on commercially reasonable terms or at all, or that we will realize any anticipated benefits from such acquisitions, investments, or alliances. There may be high barriers to entry in many key markets and scarcity of available development and investment opportunities in desirable locations. Similarly, we cannot assure you that we will be able to obtain financing for acquisitions or investments on attractive terms or at all, or that the ability to obtain financing will not be restricted by the terms of our revolving credit facility, our outstanding notes or bonds, or other indebtedness we may incur. The success of any such acquisitions ~~or investments~~ will also depend, in part, on our ability to integrate the acquisition ~~or investment~~ with our existing operations. **The** ~~Inability~~ **inability** to integrate completed acquisitions in an efficient and timely manner could result in reputational harm or have an adverse impact on our results of operations. Integration efforts may also take longer than we anticipate and involve unexpected costs. If we are unable to successfully integrate an acquired business, we may not realize the benefits that were expected at the time of acquisition. We may experience difficulty with integrating acquired businesses, properties, or other assets, including difficulties relating to: • coordinating sales, distribution, loyalty, membership, and marketing functions; • the failure to integrate and or interface internal systems, programs, and internal controls; • the application of different ~~account~~ **accounting** policies, assumptions, or judgments with respect to operational or financial results; • effectively and efficiently integrating information technology and other systems; • issues not discovered as part of the transactional due diligence process and / or unanticipated liabilities or contingencies of acquired businesses, including with respect to commercial disputes or cyber incidents and information technology failures or other matters; and • preserving the important licensing, distribution, marketing, owner, customer, labor, and other relationships of the acquired assets. **Further, we are required to assess the effectiveness of the internal control over financial reporting for companies we acquire pursuant to the Sarbanes- Oxley Act of 2002 (" Sarbanes- Oxley Act"). In order to comply with the Sarbanes- Oxley Act, we will need to implement or enhance internal control over financial reporting at any company we acquire, and we may identify control deficiencies that require remediation as part of our evaluation and testing of internal controls. Companies we acquire may not have had previous public reporting obligations and therefore may not have instituted or evaluated internal controls in the context of the Sarbanes- Oxley Act. Implementing, remediating, or enhancing effective internal controls as part of our integration of acquisitions may be time- consuming, and we may encounter difficulties assimilating or integrating internal controls. We may be required to hire or engage additional resources and incur substantial costs to implement the necessary new internal controls as part of our acquisition activities. Any failure to implement and maintain effective internal control over financial reporting could result in material weaknesses in our internal controls, and could result in a material misstatement of our financial statements or otherwise cause us to fail to meet our financial reporting obligations which could have an adverse effect on our business, financial condition, results of operations, or stock price.** In addition, as a result of any acquisition activity, we may assume management **and hotel services agreements** and franchise agreements with terms that are not as favorable as other agreements within our portfolio and may result in loss of business over time. Any such acquisitions, investments, or alliances could also demand significant attention from our management team that would otherwise be available for our regular business operations, which could harm our business. Timing, budgeting, and other risks could result in delays or cancellations of our efforts to develop, redevelop, or renovate the properties that we own or lease, or make these activities more expensive, which could reduce our profits or impair our ability to compete effectively. We must maintain and renovate the properties that we own and lease in order to remain competitive, maintain the value and brand standards of our properties, and comply with applicable laws and regulations. We also selectively undertake ground- up construction of properties together with hospitality venture partners in an effort to expand our brand presence. These efforts are subject to a number of risks, including: • construction delays or cost overruns, including labor and materials, that may increase project costs; • obtaining zoning, occupancy, and other required permits or authorizations; • changes in economic conditions that may result in weakened or lack of demand or negative project returns; • governmental restrictions on the size or kind of development; • multi-year urban redevelopment projects, including temporary hotel closures, that may significantly disrupt hotel profits; • force majeure events, including earthquakes, tornadoes, hurricanes, floods, wildfires, tsunamis, or pandemics; and • design defects that could increase costs. Additionally, developing new properties typically involves lengthy development periods during which significant amounts of capital must be funded before the properties begin to operate and generate revenue. If the cost of funding new development exceeds budgeted amounts and / or the time period for development is longer than initially anticipated, our profits could be reduced. Further, due to the lengthy development cycle, intervening adverse economic conditions may alter or impede our development plans, thereby resulting in incremental costs to us or potential impairment charges. Moreover, during the early stages of operations, charges related to interest expense and depreciation may substantially detract from, or even outweigh, the profitability of certain new property investments. Similarly, the cost of funding renovations and capital improvements may exceed budgeted amounts. Additionally, the timing of renovations and capital improvements can affect, and historically has affected, property performance, including occupancy and ADR, particularly if we need to close a significant number of rooms or other facilities, such as ballrooms, meeting spaces, or restaurants. Moreover, the investments that we make may fail to improve the performance of the properties in the manner that we expect. Economic and other conditions may adversely impact the valuation of our assets resulting in impairment charges that could have a material adverse impact on our results from operations. We hold significant amounts of goodwill, intangible assets, property and equipment, and investments. On a regular basis, we evaluate our assets for impairment based on various factors, including actual operating results, trends of projected revenues and profitability, and potential or actual terminations of underlying management and **hotel services agreements and** franchise agreements. During times of economic distress, declining demand and declining earnings often result in declining asset values. As a result, we have incurred impairment charges, and may incur charges in the future, which could be material and may adversely affect our earnings. If our third- party ~~property~~ owners and franchisees, including our hospitality venture partners, are unable to repay or refinance loans secured by the mortgaged properties, our revenues, profits, and capital resources could be reduced and our business could be harmed. Many of the properties owned by third parties, franchisees, or our hospitality ventures are pledged as collateral for mortgage loans entered into when such properties were purchased or refinanced. If our third- party ~~property~~ owners, franchisees, or our hospitality venture partners are unable to repay or refinance maturing indebtedness on favorable terms or at all, the lenders could declare a default, accelerate the related debt, and repossess the property. Any sales or repossessions could, in certain cases, result in the termination of our management **and hotel services agreements** or franchise agreements and eliminate anticipated income and cash flows, which could negatively affect our results of operations. If we or our third- party owners, franchisees, or development partners are unable to access the capital necessary to fund current operations or implement our plans for growth, our profits could be reduced and our ability to compete effectively could be diminished. The hospitality industry is a capital- intensive business requiring significant capital expenditures to develop, operate, maintain, and renovate properties. Access to the capital that we or our third- party owners, franchisees, or development partners need to finance the construction of new properties or to maintain and renovate existing properties is critical to the continued growth of our business and our revenues. The availability of capital or the conditions under which we or our third- party owners, franchisees, or development partners can obtain capital can have a significant impact on the overall level, cost, and pace of future development and therefore, the ability to grow our revenues. The current economic ~~downturn~~ **environment** has caused credit markets to experience significant disruption severely reducing liquidity and credit availability, and ~~the COVID- 19 pandemic has resulted in, and~~ could continue to result in, difficulties for certain third- party ~~hotel~~ owners and franchisees to obtain commercially viable financing. Such disruptions may diminish the ability and desire of existing and potential development partners to access capital necessary to develop properties. Our ability to access additional capital could also be limited by the terms of our revolving credit facility, our outstanding notes, bonds, or other indebtedness we may incur, which restricts or may restrict our ability to incur debt under certain circumstances. Additionally, if one or more of the financial institutions that support our revolving credit facility fail, we may not be able to find a replacement, which would reduce the availability of funds that we can borrow under the facility. If we are forced to spend larger than anticipated amounts of cash from operating activities to operate, maintain, or renovate existing properties, then our ability to use cash for other purposes, including acquisition or development of other businesses, properties, brands, or other assets could be limited and our profits could be reduced. Similarly, if we cannot access the capital we need to fund our operations or implement our growth strategy, we may need to postpone or cancel planned renovations or developments, which could impair our ability to compete effectively and harm our business. If we become liable for losses related to loans we have provided or guaranteed to third parties, our profits could be reduced. At times, we make loans to our third- party ~~hotel~~ owners, franchisees **,** or hospitality venture partners, and in other circumstances, we may provide senior secured financing or subordinated forms of financing to third- party owners or franchisees. We could suffer losses if third- party ~~property~~ owners or franchisees default on loans we provide. Additionally, we may provide financial guarantees to third- party lenders related to the timely repayment of all or a portion of the associated debt on certain properties. The guarantees may be for the full amount of the debt or may be limited to a portion of the debt. We typically obtain reimbursement agreements from our hospitality venture partners or other third parties with the intent to limit our exposure to our share of the debt. See Part IV, Item 15," Exhibits and Financial Statement Schedule — Note 6 to our Consolidated Financial Statements" for more information related to our loans and other financing arrangements and" Exhibits and Financial Statement Schedule — Note 15 to our Consolidated Financial Statements" for more information related to our guarantees. We are exposed to counterparty and credit risk and fluctuations in the market values of our investment portfolio. Cash balances not required to fund our daily operating activities are invested in interest- bearing investments with a greater focus placed on capital preservation than on investment return. The majority of our cash and cash equivalent balances are held on deposit with high quality financial institutions that hold long- term ratings of at least BBB or Baa from ~~Standard~~ **S** & **P Global** ~~Poor' s Financial Services, LLC, a subsidiary of McGraw Hill Financial, Inc.~~ (" S & P") or Moody' s Investors Service, Inc. (" Moody' s"), respectively, and in AAA- rated money market funds. As such, we are exposed to counterparty risk on our cash and cash equivalent balances. We also have established investment accounts for purposes of investing portions of cash resources for the World of Hyatt loyalty program, certain benefit programs, and our captive insurance company. Although we have not recognized any significant losses to date on these investments, any significant declines in their market values could materially adversely affect our financial condition and results. Credit ratings and pricing of these investments can be negatively affected by liquidity, credit deterioration, financial results, economic risk, political risk, sovereign risk, or other factors. As a result, the value and liquidity of our investments could decline and result in impairments, which could materially adversely affect our financial condition and results **of operations** . Technology and Information Systems Risks Cyber risk and the failure to maintain the availability or security of our systems or customer, colleague, or Company data could adversely affect our business, harm our reputation, and / or subject us to costs, fines, penalties, investigations, enforcement actions, or lawsuits. We collect, use, and retain large volumes of customer data, including payment card numbers and other personal information for business, marketing, and other purposes, and our various information technology systems capture, process, summarize, and report such data. We also maintain personal information and other data about our colleagues **, as well as other forms of proprietary business information such as trade secrets** . We store and process such customer, colleague, and Company data both at onsite facilities and at third- party owned facilities including, for example, in third- party hosted cloud environments. We also rely on the availability of information technology systems to operate our business, including communications; reservations; digital platforms, including the loyalty program and paid membership program; guest services; payments; and other general operations. The availability and protection of customer, member, colleague, and Company data, as well as the continuous operation of our systems, are critical to our business. Our customers and colleagues expect that we, as well as our third- party owners, franchisees, licensees, hospitality venture partners, and service providers, will adequately protect their personal information and that our services will be continuously available. The regulations and contractual obligations applicable to security and privacy are increasingly demanding, both in the United States and in other jurisdictions where we operate, and cyber threat actors regularly target the hospitality industry **, including our business** . In addition, the scope and complexity of the cyber- threat landscape could affect our ability to adapt to and comply with changing regulatory obligations and expectations. Because of the scope and complexity of our information technology structure, our reliance on third party hardware, software, and services to support and protect our structure and data, and the constantly evolving cyber- threat landscape, our systems **are** ~~may be~~ vulnerable to disruptions, failures, unauthorized access, cyber- terrorism, adverse action by state actors, **malfeasance by insiders,** human error, negligence, fraud, or other misuse. Moreover, our systems, colleagues, and customers ~~may~~ **have been, and we expect will continue to** be **,** targeted by social engineering attacks or account takeover tactics that may, among other things, aim to obtain funds or information fraudulently. These or similar occurrences, whether accidental or intentional, **have in the past, and** could **in the future,** result in an interruption in the operation of our systems or theft, unauthorized access, disclosure, destruction, encryption by ransomware, loss, and fraudulent or unlawful use of customer, colleague, or Company data, all of which **has in the past, and** could **in the future,** impact our business, result in operational **interruptions,** inefficiencies or loss of business, create negative publicity, cause harm to our reputation, or subject us to remedial and other costs, fines, penalties, investigations, enforcement actions, or lawsuits. Additionally, we increasingly rely on third- party owners, franchisees, licensees, and hospitality venture partners who operate their own networks and systems and engage with their own service providers, and a security incident involving such networks or systems could lead to an interruption in, or other adverse effects on, our business, resulting in operational inefficiencies, potential exposure to fines or litigation, or loss of business, and negative publicity and reputational harm. In addition, we may be subject to data risks and ~~cyber security~~

cybersecurity vulnerabilities as part of acquisition activities ~~, including with respect to the ALG Acquisition~~. Our due diligence and post- acquisition assessments of an acquiree' s ~~cyber security~~ **cybersecurity** controls and procedures and information technology systems may not be sufficient to detect current or prior security incidents that have not yet been detected or to identify security measures that are not sufficient to appropriately address security risks to data and business continuity. Any such security incidents may pose material ~~cyber security~~ **cybersecurity** risks, including risks of theft, unauthorized access, disclosure, loss, and fraudulent use of customer colleague, or Company data. We have previously detected and disclosed prior incidents involving cyber threat actors who have attacked our systems, as well as those operated by third- parties. We expect ongoing attempts to gain access to our systems and those operated by our third- party owners, franchisees, licensees, hospitality venture partners, and vendors. We also may be victims of current or future software supply- chain incidents, even if those incidents are not directly targeted at Hyatt. We continue to use an evolving privacy and security risk management framework utilizing risk assessments to identify priorities for enhancements **and security updates**. While we implement security measures designed to safeguard our systems and data and have business continuity measures, and intend to continue implementing additional measures in the future, our implementation efforts may be incomplete or our measures may not be sufficient **or timely enough** to maintain the confidentiality, security, or availability of the data we collect, store, and use to operate our business. We work to continuously evaluate our security posture throughout our business and make ~~appropriate~~ changes to our operating processes and improve our defenses. **Nonetheless, there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls, or procedures, will be fully implemented, complied with, or effective in protecting our systems and information. Attackers are also increasingly sophisticated and using techniques and tools, including artificial intelligence (" AI"), that can circumvent security controls, evade detection and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact to our systems, information, or business. Furthermore,** ~~Although~~ **although** we carry cyber insurance that is designed to protect us against certain losses related to cyber risks, that insurance coverage may not be sufficient or available to cover all expenses or other losses ~~(including~~ **that may occur, such as brand and reputational damage, loss of customers, loss of business partners, regulatory investigations, penalties and** fines **, legal** ~~) or all types of~~ claims **brought by customers or employees, significant system or data restoration, remediation or compliance costs, and / or other liabilities** that may arise in connection with cyberattacks, security compromises, and other related incidents. Any future occurrences could result in costs and business impacts that may not be covered or may be in excess of any available insurance that we, or our third- party owners, franchisees, licensees, or hospitality venture partners, may have arranged. Furthermore, in the future such insurance may not be available on commercially reasonable terms, or at all. As a result, future incidents could have a material impact on our business and adversely affect our financial condition and results of operations. Our success depends on the efficient and uninterrupted operation of our information technology systems and technology services delivered to Hyatt by third- party or cloud providers. For example, we depend on our central reservation system, which allows bookings by hotels directly, via telephone through our global care centers, by travel agents, through our digital platforms, and through online reservations agencies. **Beginning in 2024, we will migrate to a new central reservation system, which we expect to be able to facilitate a more efficient booking process for our hotels; however, we may experience delays or system interruptions in connection with the migration over the course of 2024. Integration of complex systems and technology presents significant challenges in terms of costs, human resources, and development of effective internal controls. Integration of a third- party system also presents the risk of operational or security inadequacy or interruption, which could materially affect our ability to effectively operate our business.** In addition, we depend on information technology to run our day- to-day operations, including, among others, hotel services and amenities such as guest check- in and check- out, housekeeping and room service, and systems for tracking and reporting our financial results and the financial results of our hotels. Our information technology systems and technology services delivered to Hyatt by third- party or cloud providers are vulnerable to damage or interruption from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses **, the exploitation of security" bugs," misconfigurations and critical vulnerabilities** , break- ins, and similar events. The occurrence of any of these natural or man- made disasters or unanticipated problems at any of our information technology facilities or any of our global care centers or at our third- party or cloud providers could cause interruptions or delays in our business, loss of data, or render us unable to process reservations. In addition, if our information technology systems or technology services delivered to Hyatt by third- party or cloud providers are unable to provide the information communications capacity that we need or if these information technology systems suffer problems caused by installing system enhancements, we could experience similar failures or interruptions. If our information technology systems or technology services delivered to Hyatt by third- party or cloud providers fail and redundant systems or disaster recovery plans are not adequate to address such failures or if our property and business interruption insurance does not sufficiently compensate us for any losses that we may incur, our revenues and profits could be reduced and the reputation of our brands and our business could be harmed. **We incorporate AI solutions into our information systems, offerings, services, and features, and these solutions, and possible future generative AI solutions, may become more important in our operations over time. The ever- increasing use and evolution of technology, including cloud- based computing and AI, creates opportunities for the potential loss or misuse of personal data that forms part of any data set and was collected, used, stored, or transferred to run our business, and unintentional dissemination or intentional destruction of confidential information stored in our or our third party providers' systems, portable media, or storage devices, which may result in significantly increased business and security costs, a damaged reputation, administrative penalties, or costs related to defending legal claims. If the content, analyses, or recommendations that AI programs assist in producing are or are alleged to be deficient, misleading, inaccurate, or biased, our business, financial condition, and results of operations and our reputation may be adversely affected. AI programs may be costly and require significant expertise to develop, may be difficult to set up and manage, and require**

periodic upgrades. There is also a risk that we may not have access to the technology and qualified AI personnel resources to adequately incorporate ongoing advancements into our AI initiatives, including access to the licensing of key intellectual property from third parties. Our competitors or other third parties may incorporate AI into their offerings more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Our competition may have access to greater financial and technological resources, giving them a competitive advantage in recruiting, motivating, and retaining sought- after AI professionals. AI also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, will require significant resources to develop, test and maintain our platform, offerings, services, and features to help us implement AI ethically in order to minimize unintended, harmful impact. If we fail to stay current with developments in technology necessary for our business, our operations could be harmed and our ability to compete effectively could be diminished. Sophisticated information technology and other systems are instrumental for the hospitality industry, including systems used for our central reservations, revenue management, property management, and global loyalty program, as well as technology systems that we make available to our guests. These information technology and other systems include not only our own, but also any systems that we obtain through acquisition activity, and all such systems must be refined, updated, or replaced with more advanced systems on a regular basis. Developing and maintaining these systems may require significant capital. If we are unable to replace or introduce information technology and other systems as quickly as our competitors or within budgeted costs or schedules when these systems become outdated or require replacement or if we are unable to achieve the intended benefits of any new information technology or other systems, our operations could be harmed and our ability to compete effectively could be diminished. Hospitality Venture Risks We participate in numerous hospitality ventures with third parties. We may also buy and develop properties in hospitality ventures with the sellers of the properties, affiliates of the sellers, developers, or other third parties. Our hospitality venture partners may have shared or majority control over the operations of our hospitality ventures. As a result, our investments in hospitality ventures involve risks that are different from the risks involved in investing in real estate independently. These risks include the possibility that our hospitality ventures or our partners: • go bankrupt or otherwise are unable to meet their capital contribution obligations, especially in times of adverse economic conditions; • have economic or business interests or goals that are or become inconsistent with our business interests or goals; • are in a position to take action contrary to our instructions, our requests, our policies, our objectives, or applicable laws; • subject the property to liabilities exceeding those contemplated; • take actions that reduce our return on investment; or • take actions that harm our reputation or restrict our ability to run our business. For these and other reasons, it could be more difficult for us to sell our interest in any hospitality venture or to pursue the venture' s activities, which could reduce our ability to address any problems we may have with those properties or respond to market conditions in the future and could lead to impairments of such investments. As a result, our investments in hospitality ventures could lead to impasses with our partners or situations that could harm the hospitality venture, which could reduce our revenues, increase our costs, and lower our profits. In addition, in conjunction with financing obtained for our hospitality ventures, we may provide completion guarantees, debt repayment guarantees, or standard indemnifications to lenders for loss, liability, or damage occurring as a result of our actions or actions of the other hospitality venture owners. If our hospitality ventures fail to provide accurate and / or timely information that is required to be included in our financial statements, we may be unable to accurately report our financial results. Preparing our financial statements requires us to have access to information regarding the results of operations, financial position, and cash flows of our hospitality ventures. Any deficiencies in our hospitality ventures' internal controls over financial reporting may affect our ability to report our financial results accurately or prevent fraud. Such deficiencies could also result in restatements of, or other adjustments to, our previously reported or announced financial results, which could diminish investor confidence and reduce the market price for our shares. Additionally, if our hospitality ventures are unable to provide this information for any meaningful period or fail to meet expected deadlines, we may be unable to satisfy our financial reporting obligations or file our periodic reports in a timely manner. Cash distributions from our hospitality ventures could be limited by factors outside our control that could reduce our return on investment and our ability to generate liquidity from these hospitality ventures. Although our hospitality ventures may generate positive cash flow, in some cases, these hospitality ventures may be unable to distribute that cash to the hospitality venture partners. Additionally, in some cases, our hospitality venture partners control distributions and may choose to leave capital in the hospitality venture rather than distribute it. Because our ability to generate liquidity from our hospitality ventures depends on the hospitality ventures' ability to distribute capital to us, tax considerations or decisions of our hospitality venture partners could reduce our return on these investments. We include our pro rata share of unconsolidated owned and leased hospitality ventures' Adjusted EBITDA in our consolidated Adjusted EBITDA regardless of whether the cash flow of those ventures is, or can be, distributed to us. Indebtedness Risks Our indebtedness exposes us to a variety of financial and operational risks. The terms of the indenture governing our Senior Notes, as defined in Part II, Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Senior Notes," and those of our revolving credit facility subject us to the following: • a risk that cash ~~flow~~ **flows** from operations will be insufficient to meet required payments of principal and interest; • restrictive covenants, including covenants related to maintaining certain financial ratios; and • the risk that any additional increases in benchmark rates by the U. S. Federal Reserve and other international central banks, as occurred ~~during 2022 and could continue~~ in 2023, will result in higher interest rates applicable to our fluctuating rate indebtedness, including borrowings under our revolving credit facility, which in turn could reduce our cash flows available for other corporate purposes, including investments in our portfolio, limit our ability to refinance existing debt when it matures, or increase interest costs on any debt that is refinanced. See Part II, Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" for further information related to restrictions under our financial covenants, and Part IV, Item 15," Exhibits and Financial Statement

Schedule — Note 11 to our Consolidated Financial Statements" for a description of the terms of the indenture governing our Senior Notes. Although we anticipate we will be able to repay or refinance our existing indebtedness when it matures, there can be no assurance we will be able to do so, or that the terms of such refinancing will be favorable. Similarly, although we do not expect changes in interest rates to have a material effect on income or cash flows in ~~2023~~ **2024** , primarily due to our current limited reliance on borrowings tied to fluctuating rates, there can be no assurance that interest rates will not increase significantly from current levels. A substantial decrease in operating cash ~~flow~~ **flows** or consolidated EBITDA as defined in our revolving credit facility, or a substantial increase in our expenses may make it difficult for us to meet our existing debt service requirements and restrictive covenants. As a result, we could be forced to sell assets and / or modify our operations. Our existing leverage may also impair our ability to obtain additional financing for acquisitions, working capital, capital expenditures, or other purposes, if necessary, or require us to accept terms otherwise unfavorable to us. Rating agency downgrades may increase our cost of capital. The interest rate on borrowings and the facility fee under our revolving credit facility are determined by a pricing grid, which is dependent in part on our credit ratings by S & P, Moody' s, and Fitch. Lower ratings result in a higher cost of funds. Therefore, if these independent rating agencies were to downgrade our credit ratings or if we no longer have a credit rating from any agency, the cost of our borrowing and the amount of the facility fee under our revolving credit facility will increase as specified in the pricing grid. Additionally, any future downgrade of our credit ratings by the rating agencies could reduce or limit our access to capital and further increase our cost of capital. Risks Related to Laws, Regulations, and Insurance Our businesses, properties, and colleagues are subject to a variety of laws and regulations around the globe. Generally, these laws and regulations address our sales and marketing and advertising efforts, our handling of privacy issues and customer data, our anti- corruption efforts, our ability to obtain licenses for business operations such as sales of food and liquor, and matters relating to immigration, the environment, health and safety, health care, gaming, competition, and trade, among other things. Regulations related to our Unlimited Vacation Club business varies by jurisdictions and future regulations or changes to existing regulations may affect the business and the growth prospects of the Unlimited Vacation Club **paid** membership program. Our collection and use of personal data are governed by privacy laws and regulations, and privacy law is an area that changes often and varies significantly by jurisdiction. Increasingly, there is potential for increased exposure to fines, penalties, and civil judgments as a result of ~~new~~ privacy regulations. Compliance with applicable privacy regulations may increase our operating costs and / or adversely impact our ability to market our properties and services to our guests. Our franchising and licensing businesses and our international operations are also subject to laws and regulations affecting those businesses: Franchising Business Our franchising business is subject to various laws, as well as to regulations enacted by the Federal Trade Commission (" FTC"). The FTC also regulates the manner and substance of our disclosures to prospective franchisees. In addition, a number of U. S. states and foreign countries require franchisors to register the franchise offering with the applicable governmental body and / or to make extensive disclosures to potential franchisees in connection with offers and sales of franchises in those states and countries. Further, a number of U. S. states and countries have" franchise relationship laws" or" business opportunity laws" that, among other restrictions, limit the ability of franchisors to terminate franchise agreements or to withhold consent to the renewal or transfer of agreements. Failure to comply with those laws, where applicable, can limit a franchisor' s ability to enter into new franchise agreements or enforce the terms of existing franchise agreements and may create liability for fines, penalties, and civil judgments. Vacation ~~Ownership~~ **Units** Our licensed vacation **units** ~~ownership properties~~ are subject to extensive state regulation in both the state in which the property is located and the states in which the property is marketed and sold. Marketing for these properties is also subject to federal regulation of certain marketing practices, including federal telemarketing regulations. International Operations Our business operations in countries outside the United States are subject to a number of U. S. federal laws and regulations, including restrictions imposed by the Foreign Corrupt Practices Act (" FCPA") as well as trade sanctions administered by the Office of Foreign Assets Control (" OFAC") and the Commerce Department. The FCPA is intended to prohibit bribery of foreign officials or parties and requires public companies in the United States to keep books and records that accurately and fairly reflect those companies' transactions. OFAC and the Commerce Department administer and enforce economic and trade sanctions based on U. S. foreign policy and national security goals against targeted foreign states, organizations, and individuals. Some of our business operations are also subject to the laws and regulations of non- U. S. jurisdictions, including the U. K. Bribery Act and anti- corruption legislation in the countries in which we conduct operations. If we, our hospitality ventures, or our third- party owners **and franchisees** fail to comply with these laws and regulations, we could be exposed to claims for damages, financial penalties, reputational harm, incarceration of our colleagues, or restrictions on our operation or ownership of hotels and other properties, including the termination of our management, franchise, and ownership rights. These restrictions could increase our costs of operations, reduce our profits, or cause us to forgo development opportunities that would otherwise support our growth. Adverse judgments or settlements resulting from legal proceedings in which we may be involved in the normal course of our business could reduce our profits or limit our ability to operate our business. In the normal course of our business, we are often involved in various legal proceedings. The outcome of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to us or a settlement involving a payment of a material sum of money were to occur, there could be a material adverse effect on our financial condition and results of operations. Additionally, we could become the subject of future claims by third parties, including current or former third- party ~~property~~ owners or franchisees, guests who use our properties, our employees, our investors, or regulators. Any significant adverse judgments or settlements would reduce our profits and could limit our ability to operate our business. Further, we may incur costs related to claims for which we have appropriate third- party indemnity if such third parties fail to fulfill their contractual obligations. Our global operations subject us to income taxes (e. g., corporate income, withholding **,** and other taxes in lieu of corporate income tax) and non- income taxes (e. g., sales, use, value added, goods and services, payroll, property, and franchise taxes in numerous jurisdictions). Our future tax expenses and liabilities could be affected by changes in tax laws or the interpretation of the tax laws, as well as changes in our business operations. Our future tax ~~expense~~ **expenses** could be affected by changes in the composition of earnings in jurisdictions with differing tax rates, changes to our transfer pricing methodologies, changes in the valuation of our deferred tax assets and liabilities, including net operating losses, or changes in determinations regarding the jurisdictions in which we are subject to tax. From time to time, the U. S. federal, state, local, and foreign governments make substantive changes to tax rules and the application thereof **. The** ~~, such as the Base Erosion and Profit Shifting project (" BEPS") being undertaken by the~~ Organization for Economic Cooperation and Development ~~, including the proposed~~ **(" OECD") introduced Base Erosion and Profit Shifting Pillar Two rules that impose a** global minimum tax ~~that may apply~~ **rate of 15 %. Numerous countries, including European Union member states, have enacted or are expected to enact legislation to be effective** as early as **January 1,** 2024 **, with general implementation of a global minimum tax by January 1, 2025. We do not expect a material impact to our effective tax rate or cash flows based on currently enacted legislation and will continue to closely monitor evolving legislation and guidance that could change our current assessment** . Furthermore, the Inflation Reduction Act of 2022 was enacted in August 2022 and ~~imposes~~ **imposed** a 15 % minimum corporate income tax on certain corporations and a 1 % U. S. federal excise tax on certain stock buybacks and similar corporate actions. Legislative and tax treaty changes and the interpretation thereof could result in materially higher corporate taxes than would be incurred under existing or prior tax law or interpretation and could adversely impact profitability. As tax authorities increase their efforts to increase revenue, changes in tax laws and the frequency of tax audits could increase our future tax liabilities. We are subject to ~~on- going~~ **ongoing** and periodic audits by the Internal Revenue Service (" IRS") and various state, local, and foreign tax authorities and currently are engaged in disputes with certain of such tax authorities. We are a party to certain agreements with tax authorities that reduce or defer the amount of tax we pay. The ultimate results of these agreements, or the expiration of such agreements, or changes in circumstances or in the interpretation of such agreements, could increase our tax costs. We believe we have established adequate reserves for potential tax liabilities, but the final amount of taxes, interest and penalties, in connection with any tax audit, could exceed the amount of such reserves, which could reduce our profits and cash position. Negotiations of collective bargaining agreements, attempts by labor organizations to organize additional groups of our colleagues, or changes in labor laws could disrupt our operations, increase our labor costs, or interfere with the ability of our management to focus on executing our business strategies. Certain of our properties are subject to collective bargaining agreements, similar agreements, or regulations enforced by governmental authorities. If relationships with our colleagues, other field personnel, or the unions that represent them become adverse, the properties we manage, own, or lease could experience labor disruptions such as strikes, lockouts, and public demonstrations. Labor disruptions, which are generally more likely when collective bargaining agreements are being renegotiated, could harm our relationship with our colleagues or cause us to lose guests. Further, adverse publicity in the marketplace related to union messaging could further harm our reputation and reduce customer demand for our services. Labor regulation, including minimum wage legislation, could lead to higher wage and benefit costs, changes in work rules that raise operating expenses, legal costs, and limitations on our ability or the ability of our third- party ~~property~~ owners and franchisees to take cost saving measures during economic downturns. Collective bargaining agreements may also limit our ability to make timely staffing or labor changes in response to declining revenues. We and our third- party ~~property~~ owners and franchisees may also become subject to additional collective bargaining agreements in the future. Potential changes in the federal regulatory scheme could make it easier for unions to organize groups of our colleagues. If such changes take effect, more of our colleagues or other field personnel could be subject to increased organizational efforts, which could potentially lead to disruptions or require more of our management' s time to address unionization issues. These or similar agreements, legislation, or changes in regulations could disrupt our operations, hinder our ability to cross- train and cross- promote our colleagues due to prescribed work rules and job classifications, reduce our profitability, or interfere with the ability of our management to focus on executing our business strategies. Our franchisees and their hotel operators also currently may be or may become subject to collective bargaining agreements. Labor disruptions, labor regulation, and negotiation of labor agreements may be disruptive to a franchisee' s operations which could impact our ~~franchised~~ - **franchise** fee ~~income~~ **revenues** or harm our reputation. We do not participate in the negotiations of collective bargaining agreements covering unionized labor employed by third- party ~~property~~ owners and franchisees. The reputation and perception of our brands are critical to our success in the hospitality industry. We regularly apply to register our trademarks in the United States and other countries. However, we cannot assure you that those trademark registrations will be granted or that the steps we take to protect our trademarks or intellectual property in the United States and other countries will be adequate to prevent others, including third parties or former colleagues, from copying or using our trademarks or intellectual property without authorization. Our intellectual property is also vulnerable to unauthorized use in some countries outside the United States, where we may not be adequately protected by local law. If our trademarks or intellectual property are copied or used without authorization, the value of our brands, their reputation, our competitive advantages, and our goodwill could be harmed. Monitoring the unauthorized use of our intellectual property is difficult. We may need to resort to litigation to enforce our intellectual property rights. Litigation of this type could be costly, force us to divert our resources, lead to counterclaims or other claims against us, or otherwise harm our business. Third- party claims that we infringe on their intellectual property rights could subject us to damages and other costs and expenses. Third parties may make claims against us for infringing their intellectual property rights. Any such claims, even those without merit, could: • be expensive and time consuming to defend; • force us to stop providing products or services that use the intellectual property that is being challenged; • force us to redesign or rebrand our products or services; • divert our management' s attention and resources; • force us to enter into royalty or licensing agreements to obtain the right to use a third- party' s intellectual property; or • force us to pay significant damages. In addition, we may be required to indemnify third- party owners and franchisees of the hotels we manage ~~or~~ **,** franchise **, or provide services to** for any losses they incur as a result of any such third- party infringement claims. Any necessary royalty or licensing agreements may not be available to us on acceptable terms. Any costs, lost revenues, changes to our business, or management attention related to intellectual property claims against us, whether successful or not, could impact our business. The extensive environmental requirements to which we are subject could increase our environmental costs and liabilities, reduce our profits, or limit our ability to run our business. Our operations and properties are subject to extensive environmental laws and regulations of various federal, state, local, and foreign governments, including requirements addressing: • health and safety; • the use, management, storage, and disposal of hazardous substances and wastes; • discharges of waste materials into the environment, such as refuse or sewage; • water discharge and supply; • air emissions; • pollution; and • climate change. We could be subject to liability under some of these laws for the costs of investigating or remediating hazardous substances or wastes on, under, or in real property we currently or formerly manage, own, or develop, or third- party sites where we sent hazardous substances or wastes for disposal. We could be held liable under these laws regardless of whether we knew of, or were at fault in connection with, the presence or release of any such hazardous or toxic substances or wastes. Some of these laws make each covered person responsible for all of the costs involved, even if more than one person may have been responsible for the contamination. Furthermore, a person who arranges for hazardous substances or wastes to be transported, disposed of, or treated offsite, such as at disposal or treatment facilities, may be liable for the costs of removal or remediation if those substances are released into the environment by third parties at such disposal or treatment facilities. The presence or release of hazardous or toxic substances or wastes, or the failure to properly clean up such materials, could cause us to incur significant costs, or jeopardize our ability to develop, use, sell, or rent real property we own, lease, or operate or to borrow using such property as collateral. Other laws and regulations require us to manage, abate, or remove materials containing hazardous substances such as mold, lead, or asbestos during demolitions, renovations, or remodeling at properties that we manage, own, lease, or develop or to obtain permits for certain of our equipment or operations. The costs of such management, abatement, removal, or permitting could be substantial. Further, we may be subject to common law claims by third parties based on damages and costs resulting from violations of environmental regulations or from contamination associated with one or more of our properties. Complying with these laws and regulations, or addressing violations arising under them, could increase our environmental costs and liabilities, reduce our profits, or limit our ability to run our business. The identification of new areas of contamination, a change in the extent or known scope of contamination, a change in cleanup requirements, or the adoption of new requirements governing our operations could have a material adverse effect on our results ~~or~~ **of** operations, financial condition, and business. In addition, existing environmental laws and regulations may be revised or reinterpreted or new more stringent laws and regulations related to global climate change, air quality, or other environmental, health, and safety concerns may be adopted or become applicable to us. For example, compliance with future corporate responsibility and other climate-related legislation and regulation, and our efforts to achieve science- based emissions reduction targets, could be difficult and costly. As a result, we may experience significant increased operating and compliance costs, and operating disruptions or limitations, which could adversely affect our results ~~or~~ **of** operations, financial condition, and business. If the insurance that we, our third- party owners, hospitality ventures, franchisees, or licensees carry does not sufficiently cover damage or other potential losses or liabilities involving properties that we own, lease, manage, or franchise, our profits could be reduced. We, our third-party owners, hospitality ventures, franchisees, and licensees carry insurance from solvent insurance carriers that we believe is adequate for foreseeable losses and with terms and conditions that are reasonable and customary. Nevertheless, market forces beyond our control could limit the scope of the insurance coverage that we, our third- party owners, hospitality ventures, franchisees, or licensees can obtain or restrict our ability, our third- party owners', our hospitality ventures', our franchisees', or our licensees' ability to buy insurance coverage at reasonable rates. In the event of a substantial loss, the insurance coverage that we, our third- party owners, hospitality ventures, franchisees, or licensees carry may not be sufficient to pay the full value of our financial obligations, our liabilities, or the replacement cost of any lost investment or property loss. In addition, there are other risks or losses that may fall outside of the general coverage limits of our policies, may be uninsurable, or for which the cost of insurance is too expensive to justify. In some cases, these factors could result in certain losses being completely uninsured. As a result, we could lose some or all of the capital we have invested in a property as well as the anticipated future revenues, profits, management fees, franchise fees, or license fees from the property; we could remain obligated for performance guarantees in favor of third- party ~~property~~ owners and franchisees or for their debt or other financial obligations; we could suffer an uninsured or underinsured property loss; or we may not have sufficient insurance to cover awards or damages resulting from our liabilities. If the insurance that we, our third- party owners, hospitality ventures, franchisees, or licensees carry does not sufficiently cover damages or other losses or liabilities, our profits could be adversely affected. The Iran Threat Reduction and Syria Human Rights Act of 2012 could result in investigations by the U. S. Government against our Company and could harm our reputation and brands. The Iran Threat Reduction and Syria Human Rights Act of 2012 (" ITRSHR Act") expanded sanctions against Iran and Syria. In addition, the ITRSHR Act instituted disclosure requirements in annual and quarterly reports for public companies engaged in, or affiliated with an entity engaged in certain activities involving the Government of Iran, involving other entities and persons targeted under certain OFAC sanctions, or otherwise involving specified activities under the ITRSHR Act. A company subject to Section 219 of the ITRSHR Act must make detailed disclosures about certain activities knowingly conducted by it or any of its affiliates. We did not identify any ~~2022~~ **2023** activities required to be disclosed. In the event Hyatt were to engage in certain activities that are subject to disclosure pursuant to Section 219 of the ITRSHR Act and Section 13 (r) of the Exchange Act, we would be required to separately file, concurrently with any ITRSHR Act disclosure, a notice to the SEC that such activities were disclosed in our quarterly or annual report filings, which notice must also contain the information required by Section 13 (r) of the Exchange Act. The SEC is required to post this notice of disclosure on its website and send the report to the President and certain Congressional committees. The President thereafter is required to initiate an investigation and, within 180 days of initiating such an investigation, to determine whether sanctions should be imposed on the Company. Disclosure of such activities, even if they are not subject to sanctions under applicable law, and any sanction actually imposed on us or our affiliates as a result of these activities, could harm our reputation and brands and have a negative impact on our results of operations. Risks Related to Share Ownership and Other Stockholder Matters Our stock price has been and

could ~~is likely to continue to~~ be volatile **in the future** , and holders of Class A common stock may not be able to resell shares at or above the price paid. The stock market in general, and hospitality companies in particular, including us, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the underlying businesses. This market volatility, as well as general economic, market, or political conditions, could reduce the market price of shares of our Class A common stock in spite of our operating performance. In addition, companies that own or lease a greater proportion of properties have at times experienced disproportionate volatility and price and volume fluctuations, and we expect this dynamic ~~to~~ **could** continue. These broad market and industry factors may seriously harm the market price of our Class A common stock, regardless of our actual operating performance. In addition to the risks described in this section, several factors that could cause the price of our Class A common stock in the public market to fluctuate significantly include, among others, the following: • quarterly variations in our operating results compared to market expectations; • annual variations in our operating results compared to our guidance; • withdrawals or suspensions of our guidance; • announcements of acquisitions of or investments in other businesses and properties or dispositions; • announcements of new services or products or significant price reductions by us or our competitors; • size of our public float; • future conversions to and sales of our Class A common stock by current holders of Class B common stock in the public market, or the perception in the market that the holders of a large number of shares of Class B common stock intend to sell shares; • stock price performance of our competitors; • fluctuations in stock market prices and volumes in the United States and abroad; • low investor confidence; • default on our indebtedness or foreclosure of our properties; • changes in senior management or key personnel; • downgrades or changes in financial estimates by securities analysts or negative reports published by securities analysts about our business or the hospitality industry in general; • negative earnings or other announcements by us or other hospitality companies; • downgrades in our credit ratings or the credit ratings of our competitors; • issuances or repurchases of equity or debt securities; • a decision to pay or not to pay dividends; • cyber incidents and information technology failures; • terrorist activities or threats of such activities, civil or political unrest, or war; and • global economic, legal, and regulatory factors unrelated to our performance. Volatility in the market price of our Class A common stock may prevent investors from being able to sell their Class A common stock at or above the price at which they purchased the stock. As a result, investors may suffer a loss on their investment. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company' s securities. This litigation, if instituted against us, could result in substantial costs, reduce our profits, divert our management' s attention and resources, and harm our business. Our dividend policy or share repurchase program may change from time to time, and we may not declare dividends or repurchase shares in any particular amounts, in amounts consistent with historical practice, or at all. Our repurchase program does not obligate the Company to repurchase any specific dollar amount or to acquire any specific number of shares and the timing and amount of repurchases, if any, will depend on several factors, including market and business conditions, applicable debt covenants, the timing and amount of cash proceeds from asset dispositions, the timing and amount of any like- kind exchange transactions and other tax- planning matters, the trading price of our common stock, the nature of other investment opportunities, and other factors as our board of directors may deem relevant from time to time. Dividend payments or repurchase activity could have a negative effect on our stock price, increase volatility, or fail to enhance shareholder value. The actual declaration and payment of future dividends, the amount of any such dividends, and the establishment of record and payment dates, if any, are subject to determination by our board of directors after its review of our business strategy, applicable debt covenants, financial performance and position, and other factors as our board of directors may deem relevant from time to time. Our declaration and payment of future dividends is subject to risks and uncertainties, including: deterioration of our financial performance or position, inability to declare a dividend in compliance with applicable laws or debt covenants, an increase in our cash needs or decrease in available cash, and the business judgment of the board of directors that a declaration of a dividend is not in the best interest of our stockholders. Reports published by securities or industry analysts, including projections in those reports that exceed our actual results, could adversely affect our stock price and trading volume. Securities research analysts have established and publish their own quarterly projections for our business. These projections may vary widely from one another and may not accurately predict the results we actually achieve. Our stock price may decline if our actual results do not match securities research analysts' projections. Similarly, if one or more of the analysts who writes reports on us downgrades our stock or publishes inaccurate or unfavorable research about our business, or the hospitality industry in general, our stock price could decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, our stock price or trading volume could decline. Anti- takeover provisions in our organizational documents and Delaware law, as well as agreements with our major stockholders, may discourage or prevent a change of control, even if a sale of Hyatt would be beneficial to our stockholders, which could cause our stock price to decline and prevent attempts by our stockholders to replace or remove our current board of directors or management. Our amended and restated certificate of incorporation and bylaws, as well as agreements with our major stockholders, contain provisions that may make it difficult to remove our board of directors and management and may discourage or delay" change of control" transactions that certain stockholders may view as beneficial or could involve the payment of a premium over prevailing market prices for our Class A common stock. These provisions include, among others: • Our amended and restated certificate of incorporation provides for a dual class ownership structure, in which our Class B common stock is entitled to ten votes per share and our Class A common stock is entitled to one vote per share. As a result of this structure, our major stockholders have significant influence or actual control over matters requiring stockholder approval. • Voting agreements entered into with or among our major stockholders require these stockholders to vote their shares consistent with the recommendation of our board of directors, assuming in certain instances that a majority of a minimum of three independent directors (excluding for such purposes any Pritzker) or, in the case of transactions involving us and an affiliate, all of such minimum of three independent directors (excluding for such purposes any Pritzker) agree with the recommendation. While the voting agreements are in effect, they may provide our board of directors with effective control over matters requiring stockholder approval. • Lock- up agreements entered into with stockholders party to our 2007 Stockholders' Agreement limit the ability of these stockholders to sell their shares to any person who would be required to file a Schedule 13D with the SEC disclosing an intent to acquire the shares other than for investment purposes and, in certain instances, to competitors of ours in the hospitality, lodging, or gaming industries. • Stockholders party to our 2007 Stockholders' Agreement have agreed, subject to certain limited exceptions, to" standstill" provisions that prevent the stockholders from acquiring additional shares of our common stock, making or participating in acquisition proposals for us, or soliciting proxies in connection with meetings of our stockholders, unless the stockholders are invited to do so by our board of directors. • Our board of directors is divided into three classes, with each class serving for a staggered three- year term, which prevents stockholders from electing an entirely new board of directors at an annual meeting. • Our directors may be removed only for cause, which prevents stockholders from being able to remove directors without cause other than those directors who are being elected at an annual meeting. • Our amended and restated certificate of incorporation does not provide for cumulative voting in the election of directors. As a result, holders of our Class B common stock will control the election of directors and the ability of holders of our Class A common stock to elect director candidates will be limited. • Vacancies on our board of directors, and any newly created director positions created by the expansion of the board of directors, may be filled only by a majority of remaining directors then in office. • Actions to be taken by our stockholders may only be effected at an annual or special meeting of our stockholders and not by written consent. • Special meetings of our stockholders can be called only by the Chairman of the Board or by our corporate secretary at the direction of our board of directors. • Advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors and propose matters to be brought before an annual meeting of our stockholders may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer' s own slate of directors or otherwise attempting to obtain control of our Company. • Our board of directors may, without stockholder approval, issue series of preferred stock, or rights to acquire preferred stock, that could dilute the interest of, or impair the voting power of, holders of our common stock or could also be used as a method of discouraging, delaying, or preventing a change of control. • An affirmative vote of the holders of at least 80 % of the voting power of our outstanding capital stock entitled to vote is required to amend any provision of our certificate of incorporation or bylaws. Pritzker family business interests have substantial control over us and have the ability to control the election of directors and other matters submitted to stockholders for approval, which will limit your ability to influence corporate matters or result in actions that you do not believe to be in our interests or your interests. Our Class B common stock is entitled to ten votes per share and our Class A common stock is entitled to one vote per share. At January 31, ~~2023~~ **2024** , Pritzker family business interests beneficially own, in the aggregate, 56, ~~647~~ **176** , ~~354~~ **207** shares, or approximately 96. ~~2~~ **1** %, of our Class B common stock, and ~~340~~ **603** , ~~968~~ **343** shares, or approximately ~~0~~ **1** . ~~7~~ **4** %, of Class A common stock, representing approximately ~~53~~ **55** . ~~6~~ **2** % of the outstanding shares of our common stock and approximately 89. ~~1~~ **4** % of the total voting power of our outstanding common stock. As a result, consistent with the voting agreements contained in the Amended and Restated Global Hyatt Agreement and the Amended and Restated Foreign Global Hyatt Agreement, Pritzker family business interests will be able to exert a significant degree of influence or actual control over our management and affairs and over matters requiring stockholder approval, including the election of directors, a merger, consolidation, or sale of all or substantially all of our assets and any other significant transaction. While the voting agreements are in effect, they may provide our board of directors with the effective control over matters requiring stockholder approval. Because of our dual class ownership structure, Pritzker family business interests will continue to exert a significant degree of influence or actual control over matters requiring stockholder approval, even if they own less than 50 % of the outstanding shares of our common stock. This concentrated control will limit your ability to influence corporate matters, and the interests of Pritzker family business interests may not coincide with our interests or your interests. As a result, we may take actions that you do not believe to be in our interests or your interests and that could depress our stock price. See also" — Voting agreements entered into with or among our major stockholders, including Pritzker family business interests, will result in a substantial number of our shares being voted consistent with the recommendation of our board of directors, and may limit your ability to influence the election of directors and other matters submitted to stockholders for approval." In addition, the difference in the voting rights between our Class A common stock and Class B common stock could diminish the value of the Class A common stock to the extent that investors or any potential future purchasers of our common stock ascribe value to the superior voting rights of the Class B common stock. Disputes among Pritzker family members and among Pritzker family members and the trustees of the Pritzker family trusts may result in significant distractions to our management, disrupt our business, have a negative effect on the trading price of our Class A common stock, and / or generate negative publicity about Hyatt and the Pritzker family. In the past, disputes have arisen between and among certain Pritzker family members, and between and among beneficiaries of the Pritzker family trusts and the trustees of such trusts, with respect to, among other things, the ownership, operation, governance, and management of certain Pritzker family business interests. In connection with certain of these disputes, claims were alleged, and in certain cases, proceedings were initiated, against certain Pritzker family members, including Thomas J. Pritzker, our executive chairman, and other Pritzker family members, some of whom have been or are our directors, and against the trustees, including Thomas J. Pritzker in his former capacity as a co- trustee of the Pritzker family U. S. situs trusts. Such past allegations related to, among others, trust management and administration and violations of certain trustee duties, including fiduciary duties. Some of these disputes led to significant negative publicity for the Pritzker family. These disputes were resolved with no admissions or finding of any misconduct. Disputes among Pritzker family members, and between and among beneficiaries of the Pritzker family trusts and the trustees of such trusts, including with respect to Hyatt, may arise or continue in the future. If such disputes occur, they may result in significant distractions to our management, disrupt our business, have a negative effect on the trading price of our Class A common stock, and / or generate negative publicity about Hyatt and Pritzker family members, including Pritzker family members involved with Hyatt. Pritzker family business interests, which beneficially own at January 31, ~~2023~~ **2024** , directly or indirectly, 56, ~~988~~ **779** , ~~322~~ **550** shares, or ~~53~~ **55** . ~~6~~ **2** % of our total outstanding common stock and control approximately 89. ~~1~~ **4** % of our total voting power, have entered into a voting agreement with respect to all shares of common stock beneficially owned by Pritzker family business interests. During the term of the voting agreement, which expires on the date upon which more than 75 % of the Company' s fully diluted shares of common stock is owned by non- Pritzker family business interests, Pritzker family business interests have agreed to vote their shares of our common stock consistent with the recommendation of our board of directors with respect to all matters assuming agreement as to any such matter by a majority of a minimum of three independent directors (excluding for such purposes any Pritzker) or, in the case of transactions involving us and an affiliate, assuming agreement of all of such minimum of three independent directors (excluding for such purposes any Pritzker). In addition, at January 31, ~~2023~~ **2024** , the stockholders party to the 2007 Stockholder' s Agreement beneficially own, in the aggregate, approximately 3. 9 % of our outstanding Class B common stock, representing approximately 3. 6 % of the total voting power of our outstanding common stock. Pursuant to the 2007 Stockholder' s Agreement, the stockholders party thereto have entered into a voting agreement with us, with respect to the shares of common stock that they beneficially own, and have agreed to vote their shares of common stock consistent with the recommendation of our board of directors, without any separate requirement that our independent directors agree with the recommendation. These voting agreements expire on the date that Thomas J. Pritzker is no longer chairman of our board of directors. See Part I, Item 1," Business — Stockholder Agreements." While the voting agreements are in effect, they may provide our board of directors with effective control over matters requiring stockholder approval, including the election of directors, a merger, consolidation, or sale of all or substantially all of our assets and any other significant transaction. This is because the number of our shares that are required by the voting agreements to be voted consistent with the recommendation of our board of directors will be sufficient to determine the outcome of the election of directors and other matters submitted to stockholders for approval. This will limit your ability to influence the election of directors and other matters submitted to stockholders for approval, even if you do not believe those actions to be in our interests or your interests. For instance, the voting agreements may have the effect of delaying or preventing a transaction that would result in a change of control, if our board of directors does not recommend that our stockholders vote in favor of the transaction, even if you or some or all of our major stockholders believe that the transaction is in our interests or your interests. On the other hand, the voting agreements may result in our stockholders approving a transaction that would result in a change of control, if our board of directors recommends that our stockholders vote in favor of the transaction, even if you or some or all of our major stockholders believe that the transaction is not in our interests or your interests. A significant number of shares of Class A common stock issuable upon conversion of Class B common stock could be sold into the market, which could depress our stock price even if our business is doing well. Future sales in the public market of Class A common stock issuable upon conversion of Class B common stock, or the perception in the market that the holders of a large number of shares of Class B common stock intend to sell shares, could reduce the market price of our Class A common stock. At January 31, ~~2023~~ **2024** , we had ~~47~~ **44** , ~~334~~ **454** , ~~299~~ **660** shares of Class A common stock outstanding and 58, ~~917~~ **446** , ~~749~~ **602** shares of Class B common stock outstanding. At January 31, ~~2023~~ **2024** , ~~47~~ **44** , ~~330~~ **450** , ~~403~~ **764** shares of Class A common stock are freely tradable in the public market without restriction or further registration under the Securities Act of 1933, as amended (the" Securities Act") unless these shares are held by any of our" affiliates," as that term is defined in Rule 144 under the Securities Act (" Rule 144"). The remaining 3, 896 outstanding shares of Class A common stock and 58, ~~917~~ **446** , ~~749~~ **602** outstanding shares of Class B common stock are deemed" restricted securities," as that term is defined in Rule 144. Restricted securities may be sold in the public market only if they are registered under the Securities Act or they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act (" Rule 701"). Of these restricted securities, 2, 270, 395 shares of Class B common stock are held by stockholders party to the 2007 Stockholders' Agreement and are otherwise eligible to be sold at any time, subject to the applicable rights of first refusal," drag along" rights and other restrictions contained in the 2007 Stockholders' Agreement. See Part I, Item 1," Business — Stockholder Agreements — 2007 Stockholders' Agreement." Another 3, 896 shares of Class A common stock that are deemed restricted securities are otherwise eligible to be sold at any time. The rest of the restricted securities, consisting of 56, ~~647~~ **176** , ~~354~~ **207** shares of Class B common stock, together with ~~340~~ **603** , ~~968~~ **343** shares of Class A common stock previously registered, are subject to contractual lock- up and certain other restrictions contained in the Amended and Restated Global Hyatt Agreement and the Amended and Restated Foreign Global Hyatt Agreement as described in Part I, Item 1," Business — Stockholder Agreements." These contractual restrictions may be amended, waived, or terminated by the parties to those agreements in accordance with the terms of such agreements without our consent and without notice; the 25 % limitation on sales of our common stock may, with respect to each 12 month period, be increased to a higher percentage or waived entirely by the unanimous affirmative vote of our independent directors (excluding for such purposes any Pritzker). All such shares of Class A common stock, including shares of Class A common stock issuable upon conversion of shares of Class B common stock, will be eligible for resale in compliance with Rule 144 or Rule 701 to the extent the lock- up restrictions contained in the Amended and Restated Global Hyatt Agreement or the Amended and Restated Foreign Global Hyatt Agreement, as applicable, are waived or terminated with respect to such shares. Assuming the lock- up restrictions contained in the Amended and Restated Global Hyatt Agreement and the Amended and Restated Foreign Global Hyatt Agreement are not amended, waived, or terminated and that there are no transfers of shares amongst Pritzker family stockholders, and further assuming the parties to these agreements sell the maximum amount permitted to be sold during the first time period that such shares are eligible to be sold as set forth below, and subject to any applicable restrictions contained in such agreements and the provisions of Rule 144 and / or Rule 701, the securities eligible to be sold by Pritzker family stockholders under the Amended and Restated Global Hyatt Agreement and the Amended and Restated Foreign Global Hyatt Agreement will be available for sale in the public market as follows: Time PeriodNumber of Shares ~~*~~ **(1)** During the 12 month period from November 5, ~~2022~~ **2023** through November 4, ~~202315~~ **202415** , ~~716~~ **346** , ~~348~~ **247** During the 12 month period from November 5, ~~2023~~ **2024** through November 4, ~~202411~~ **202511** , ~~837~~ **736** , ~~502~~ **456** During the 12 month period from November 5, ~~2024~~ **2025** through

November 4, ~~20256~~ **20266**, 996, 539 During the 12 month period from November 5, ~~2025~~ **2026** through November 4, ~~20266~~ **20276**, 419, 886 During the 12 month period from November 5, ~~2026~~ **2027** through November 4, ~~20276~~ **20286**, 419, 886 During the 12 month period from November 5, ~~2027~~ **2028** through November 4, ~~20286~~ **20296**, 271, 290 During the 12 month period from November 5, ~~2028~~ **2029** through November 4, ~~20293~~ **20303**, 255, 514 During the 12 month period from November 5, ~~2029~~ **2030** through November 4, ~~203071~~ **2031333**, ~~357 *~~ **732 (1)** The foregoing numbers are based on information at January 31, ~~2023~~ **2024** and assume that the maximum number of shares permitted to be sold during each period set forth above are, in fact, sold during each such period. To the extent any shares are not sold during the first time period that such shares are eligible to be sold as described above, the number of shares that may be sold in subsequent time periods may change. In addition, at December 31, ~~2022~~ **2023**, ~~4~~ **3**, ~~557~~ **225**, ~~675~~ **215** shares of our Class A common stock were reserved for issuance under the Fourth Amended and Restated Hyatt Hotels Corporation Long- Term Incentive Plan (as amended, the" LTIP"). These shares of Class A common stock will become eligible for sale in the public market once those shares are issued or awarded under our LTIP, subject to provisions of various award agreements and Rule 144, as applicable. In addition, ~~811~~ **748**, ~~317~~ **087** shares of our Class A common stock were reserved for issuance under the Hyatt Hotels Corporation Second Amended and Restated Employee Stock Purchase Plan (" ESPP"), 1, 169, 195 shares of our Class A common stock remained available for issuance pursuant to the Amended and Restated Hyatt Corporation Deferred Compensation Plan (" DCP"), and 300, 000 shares of Class A common stock remained available for issuance pursuant to the Hyatt International Hotels Retirement Plan, commonly known as the Field Retirement Plan (" FRP"). If any of these holders causes a large number of securities to be sold in the public market, the sales could reduce the trading price of our Class A common stock. These sales also could impede our ability to raise future capital. See also" — If holders of shares of our Class B common stock convert their shares of Class B common stock into shares of Class A common stock and exercise their registration rights, a significant number of shares of our Class A common stock could be sold into the market, which could reduce the trading price of our Class A common stock and impede our ability to raise future capital." We also may issue shares of our Class A common stock from time to time as consideration for future acquisitions and investments. If any such acquisition or investment is significant, the number of shares that we may issue may in turn be significant. If holders of shares of our Class B common stock convert their shares of Class B common stock into shares of Class A common stock and exercise their registration rights, a significant number of shares of our Class A common stock could be sold into the market, which could reduce the trading price of our Class A common stock and impede our ability to raise future capital. Holders of 58, ~~917~~ **446**, ~~749~~ **602** shares of our Class B common stock or ~~55~~ **56**. ~~5~~ **8** % of our total outstanding shares of common stock at January 31, ~~2023~~ **2024**, including Pritzker family business interests, have rights, subject to certain conditions, to require us to file registration statements registering sales of shares of Class A common stock acquired upon conversion of such Class B common stock or to include sales of such shares of Class A common stock in registration statements that we may file for ourselves or for other stockholders. In order to exercise such registration rights, the holder must be permitted to sell shares of its common stock under applicable lock- up restrictions. See" — A significant number of shares of Class A common stock issuable upon conversion of Class B common stock could be sold into the market, which could depress our stock price even if our business is doing well" and Part I, Item 1," Business — Stockholder Agreements" for additional information with respect to these lock- up provisions. Subject to compliance with applicable lock- up agreements, shares of Class A common stock sold under the registration statements can be freely sold in the public market. In the event such registration rights are exercised and a large number of shares of Class A common stock issuable upon conversion of shares of Class B common stock are sold in the public market, such sales could reduce the trading price of our Class A common stock. These sales also could impede our ability to raise future capital. Additionally, we will bear all expenses in connection with any such registrations other than underwriting discounts. Following our decision in May ~~2020~~ **2023** to file a shelf registration statement on Form S- 3 pursuant to Rule 415 of the Securities Act, certain stockholders party to the Registration Rights Agreement, dated as of October 12, 2009, among Hyatt and the Pritzker family business interests party thereto, elected to exercise their piggyback registration rights with respect to ~~13~~ **9**, ~~347~~ **245**, ~~885~~ **902** shares of Class A common stock issuable upon conversion of shares of Class B common stock. On May ~~21~~ **19**, ~~2020~~ **2023**, the Company filed an automatic effective shelf registration statement with the SEC to register the resale of such aggregate ~~13~~ **9**, ~~347~~ **245**, ~~885~~ **902** shares. In connection with such registration, all other holders of registration rights, including trustees of trusts for the benefit of Thomas J. Pritzker and his lineal descendants, including Jason Pritzker, elected not to exercise their piggyback registration rights. Subsequent to November ~~2022~~ **2023**, ~~a~~ **certain** ~~trust~~ **trusts** for the benefit of Karen L. Pritzker and / or certain of her lineal descendants engaged in sales representing an aggregate of ~~100~~ **470**, ~~000~~ **101** shares of Class A common stock issuable upon conversion of shares of Class B common stock. After giving effect to these transactions, as ~~well as sales, charitable contributions, and similar transactions prior to November 2022 by (a) limited partnerships and trusts, each for the benefit of Daniel F. Pritzker and / or certain of his lineal descendants, and Daniel F. Pritzker, individually, that resulted in such entities holding fewer shares than are registered for resale on the May 2020 shelf registration statement, and (b) the Anthony N. Pritzker Family Foundation that resulted in such entity no longer holding any shares registered for resale on the May 2020 shelf registration statement, as~~ of the date of this filing, **8, 775, 801 shares of the** 9, ~~421~~ **245**, **902** ~~600 shares of the 13, 347, 885~~ shares originally registered for resale on the May ~~2020~~ **2023** shelf registration statement continue to be eligible to be sold pursuant to the May ~~2020~~ **2023** shelf registration statement during the 12 month period commencing November 5, ~~2022~~ **2023** through November 4, ~~2023~~ **2024** under the lock- up restrictions contained in the Amended and Restated Global Hyatt Agreement and the Amended and Restated Foreign Global Hyatt Agreement. Subsequent to November 4, ~~2023~~ **2024**, and assuming no further sales, **all of the** 9, ~~521~~ **245**, **902** ~~600 shares of the 13, 347, 885~~ shares originally registered for resale on the May ~~2020~~ **2023** shelf registration statement will continue to be eligible to be sold pursuant to the May ~~2020~~ **2023** shelf registration statement. Additional shares may be registered on the shelf registration statement in the future as such shares are eligible to be sold in accordance with the registration rights agreements and lock- up restrictions. See" — A significant number of shares of Class A common stock issuable upon conversion of Class B common stock could be sold into the market, which could depress our stock price even if our business is doing well" for additional information with respect to the lock- up provisions. The sale of shares registered under the registration statement in the public market, or the perception that such sales may occur could reduce the trading price of our Class A common stock or impede our ability to raise future capital. Non- U. S. holders who own more than 5 % of our Class A common stock or substantial amounts of our Class B common stock may be subject to U. S. federal income tax on gain realized on the disposition of such stock. Because we have significant U. S. real estate holdings, we may be a" United States real property holding corporation" (" USRPHC") for U. S. federal income tax purposes, but we have made no determination to that effect. There can be no assurance that we do not currently constitute or will not become a USRPHC. As a result, a" non- U. S. holder" may be subject to U. S. federal income tax on gain realized on a disposition of our Class A common stock if such non- U. S. holder has owned, actually or constructively, through certain family members, related entities, and options, more than 5 % of our Class A common stock at any time during the shorter of (a) the five- year period ending on the date of disposition and (b) the non- U. S. holder' s holding period in such stock. If we were, or were to become, a USRPHC, a non- U. S. holder may be subject to U. S. federal income tax on gain realized on the disposition of our Class B common stock. Such tax would apply if on the date such non- U. S. holder actually or constructively acquired Class B common stock, and on any date on which such non- U. S. holder acquires additional Class B common stock, the aggregate fair market of the Class B common stock it actually and constructively owns is greater than 5 % of the fair market value of our Class A common stock on such date. Certain dispositions of substantial amounts of Class B common stock by non- U. S. holders may be subject to withholding under section 1445 of the Internal Revenue Code. General Risk Factors The loss of our senior executives or key field personnel, such as our general managers, could significantly harm our business. Our ability to maintain our competitive position is dependent to a large degree on the efforts and skills of our senior executives. We have entered into employment letter agreements with certain of our senior executives. However, we cannot guarantee that these individuals will remain with us. Finding suitable replacements for our senior executives could be difficult. We currently do not have a life insurance policy or key person insurance policy with respect to any of our senior executives. Losing the services of one or more of these senior executives could adversely affect our strategic relationships, including relationships with our third- party ~~property~~ owners, franchisees, hospitality venture partners, and vendors, and limit our ability to execute our business strategies. We also rely on the general managers to run daily operations and oversee our colleagues. These general managers are trained professionals in the hospitality industry and have extensive experience in many markets worldwide. The failure to retain, train, or successfully manage our general managers, either by us or our third- party owners or franchisees, could negatively affect our operations.