

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2022
OR

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

For the transition period from _____ to _____
Commission File Number: 001-39778



Airbnb, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

26-3051428

(I.R.S. Employer Identification No.)

**888 Brannan Street
San Francisco, California 94103**
(Address of Principal Executive Offices)(Zip Code)
(415) 510-4027
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Class A common stock, par value \$0.0001 per share

Trading Symbol(s)

ABNB

Name of Each Exchange on Which Registered

The Nasdaq Stock Market

Securities registered pursuant to Section 12(g) of the Act:

None

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

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

As of June 30, 2022, the aggregate market value of the Class A common stock held by non-affiliates of the registrant was approximately \$35.1 billion based upon the closing price reported for such date on the NASDAQ Global Select Market.

As of February 3, 2023, 408,928,427 shares of the registrant's Class A common stock were outstanding 222,400,067 shares of the registrant's Class B common stock were outstanding, no shares of the registrant's Class C common stock were outstanding, and 9,200,000 shares of the registrant's Class H common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this Report, to the extent not set forth herein, is incorporated herein by reference from the registrant's definitive proxy statement relating to the Annual Meeting of Shareholders to be held in 2023, which definitive proxy statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Report relates.

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Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding our strategy, future financial condition, future operations, projected costs, prospects, plans, objectives of management, and expected market growth, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "shall," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "goal," "objective," "seeks," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about:

- the effects of macroeconomic conditions, including inflation, slower growth or recession, higher interest rates, high unemployment and currency fluctuations, on the demand for travel or similar experiences;
- the effects of supply constraints on availability of Host homes;
- our ability to effectively manage our exposure to fluctuations in foreign currency exchange rates;
- the continued effects of the COVID-19 pandemic, including as a result of new strains or variants of the virus, as well as other highly infectious diseases, on our business, the travel industry, travel trends, and the global economy generally;
- our expectations regarding our financial performance, including our revenue, costs, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), and Free Cash Flow;
- our expectations regarding future operating performance, including Nights and Experiences Booked, Gross Booking Value ("GBV"), Average Daily Rates ("ADR"), and GBV per Night and Experience Booked;
- our ability to attract and retain Hosts and guests;
- our ability to compete in our industry;
- our expectations regarding the resilience of our model, including in areas such as domestic travel, short-distance travel, travel outside of top cities, and long-term stays;
- seasonality, including the return of pre-COVID-19 pandemic patterns of seasonality, and the effects of seasonal trends on our results of operations;
- our expectations regarding the impact of our marketing strategy, and our ability to continue to attract guests and Hosts to our platform through direct and unpaid channels;
- anticipated trends, developments, and challenges in our industry, business, and the highly competitive markets in which we operate;
- our ability to anticipate market needs or develop new or enhanced offerings and services to meet those needs;
- our ability to manage expansion into international markets and new businesses;
- our ability to stay in compliance with laws and regulations that currently apply or may become applicable to our business both in the United States and internationally and our expectations regarding various laws and restrictions that relate to our business;
- our expectations regarding our income tax liabilities, including anticipated increases in foreign taxes, and the adequacy of our reserves;
- our ability to effectively manage our growth and expand our infrastructure and maintain our corporate culture, and our employee initiatives;
- our ability to identify, recruit, and retain skilled personnel, including key members of senior management;
- the safety, affordability, and convenience of our platform and our offerings;
- our ability to successfully defend litigation brought against us;
- the sufficiency of our cash, cash equivalents, and investments to meet our liquidity needs;
- our ability to maintain, protect, and enhance our intellectual property;
- our ability to make required payments under our credit agreement and to comply with the various requirements of our indebtedness;
- the impact of the ongoing military action between Russia and Ukraine on our business;
- human capital management, including our Live and Work Anywhere policy and diversity and belonging initiatives and commitments;
- environmental, social, and governance matters, including our Net Zero emissions and climate-related initiatives and commitments; and
- our plan to make distributions to our Host Endowment Fund.

We caution you that the foregoing list does not contain all of the forward-looking statements made in this Annual Report on Form 10-K. You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report on Form 10-K primarily on our current expectations, estimates, forecasts, and projections about future events and trends that we believe may affect our business, results of operations, financial condition, and prospects. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Annual Report on Form 10-K, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a highly competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report on Form 10-K. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made available. We undertake no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

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In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely upon these statements.

You should read this Annual Report on Form 10-K and the documents that we reference in this Annual Report on Form 10-K and have filed as exhibits to this Annual Report on Form 10-K, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in this Annual Report on Form 10-K by these cautionary statements.

Risk Factors Summary

The following is a summary of the principal risks that could materially adversely affect our business, results of operations, and financial condition, all of which are more fully described in the section titled "Risk Factors." This summary should be read in conjunction with the "Risk Factors" section and should not be relied upon as an exhaustive summary of the material risks facing our business.

- Our revenue growth rate has slowed over time, and we expect it to continue to slow in the future.
- If we fail to retain existing Hosts or add new Hosts, or if Hosts fail to provide high-quality stays and experiences, our business, results of operations, and financial condition would be materially adversely affected.
- If we fail to retain existing guests or add new guests, our business, results of operations, and financial condition would be materially adversely affected.
- Any decline or disruption in the travel and hospitality industries or economic downturn could materially adversely affect our business, results of operations, and financial condition.
- The COVID-19 pandemic has materially adversely impacted, and may continue to adversely impact, our business, results of operations, and financial condition.
- We have previously incurred net losses and our Adjusted EBITDA and Free Cash Flow have declined in prior periods. We may once again incur net losses and experience a decline in Adjusted EBITDA and Free Cash, and we may not be able to sustain profitability.
- The business and industry in which we participate are highly competitive, and we may be unable to compete successfully with our current or future competitors.
- Laws, regulations, and rules that affect the short-term rental, long-term rental, and home sharing business have limited and may continue to limit the ability or willingness of Hosts to share their spaces over our platform and expose our Hosts or us to significant penalties, which have had and could continue to have a material adverse effect on our business, results of operations, and financial condition.
- We are subject to a wide variety of complex, evolving, and sometimes inconsistent and ambiguous laws and regulations that may adversely impact our operations and discourage Hosts and guests from using our platform, and that could cause us to incur significant liabilities including taxes, compliance costs, fines, and criminal penalties, which could have a material adverse effect on our business, results of operations, and financial condition.
- Maintaining and enhancing our brand and reputation is critical to our growth, and negative publicity could damage our brand and thereby harm our ability to compete effectively, and could materially adversely affect our business, results of operations, and financial condition.
- If we are unable to manage the risks presented by our business model internationally, our business, results of operations, and financial condition would be materially adversely affected.
- The multi-series structure of our common stock has the effect of concentrating voting control with certain holders of our common stock, including our directors, executive officers, and 5% stockholders and their respective affiliates, who held in the aggregate 92.1% of the voting power of our capital stock as of December 31, 2022.
- We may have exposure to greater than anticipated income tax liabilities. In December 2020, we received a Notice of Proposed Adjustment ("NOPA") from the IRS for the 2013 tax year proposing an increase to our U.S. taxable income that could result in additional income tax expense and cash tax liability of \$1.3 billion, plus penalties and interest, which exceeds our current reserve recorded in our consolidated financial statements by more than \$1.0 billion.

PART I

Item 1. Business

Overview

We are a community based on connection and belonging—a community that was born in 2007 when two Hosts welcomed three guests to their San Francisco home, and has since grown to over 4 million Hosts who have welcomed over 1.4 billion guest arrivals to over 100,000 cities and towns in almost every country and region across the globe. Hosts on Airbnb are everyday people who share their worlds to provide guests with the feeling of connection and being at home. We strive to connect people and places.

Airbnb has five stakeholders and is designed with all of them in mind. Along with employees and shareholders, we serve Hosts, guests, and the communities in which they live. We intend to make long-term decisions considering all of our stakeholders because their collective success is key for our business to thrive.

A Resilient Model

As we look forward, we recognize the potential impact of the challenging macroeconomic conditions, including inflation and rising interest rates, potential decreased consumer spending, and the continued disruption of the COVID-19 pandemic on travel across the world.

We believe we are well positioned for the road ahead due to our adaptability and relentless innovation. First, our business model is adaptable. We have nearly every type of space in nearly every location, so however travel changes, we are able to adapt. Regardless of the economic environment, our guests come to Airbnb because they can find great value, and our Hosts can earn extra income. Second, we've relentlessly innovated while also staying focused and disciplined. During the height of the pandemic, we made many difficult choices to reduce our spending, making us a leaner and more focused company, and we have kept this discipline ever since.

Our Long-Term Growth Strategy

Our strategy is to continue to invest in our key strengths:

- *Unlock more hosting.* We will continue to invest in growing the size and quality of our Host community. We plan to attract more Hosts globally by expanding use cases and supporting all different types of Hosts, including those who host occasionally. We will also continue to increase the support that we provide to our Hosts to deliver high-quality stays and experiences for guests.
- *Grow and engage our guest community.* We intend to continue to attract new guests to Airbnb and will continue to focus on engaging our existing guests to return to book and to use Airbnb with more frequency. With new behaviors developed during the COVID-19 pandemic, we believe the ways that people approach work, living, and travel have fundamentally changed. We believe there will be further opportunities to enhance our offerings based on these new behaviors and attract more guests to our platform.
- *Invest in our brand.* We intend to continue to invest in our brand to educate new Hosts and guests on the benefits of Airbnb and the uniqueness of our offerings. We will continue to leverage our brand through a cohesive and integrated marketing strategy punctuated by our two product launches per year.
- *Expand our global network.* We plan to expand our global network and continue to partner with communities to update laws and regulations for short-term rentals to allow more Hosts to join our platform.
- *Design new products and offerings.* Our innovations are focused on improving our Host and guest experiences, making Airbnb more accessible and appealing for new Hosts and guests and driving increased engagement and loyalty with our existing community. We have made over 340 upgrades to our platform over the past two years, making it even easier to host and guests to book on Airbnb.

Our Platform

Our Platform for Hosts

We built our platform to seamlessly onboard new Hosts, especially those who previously had not considered hosting. We partner with Hosts throughout the process of setting up their listing and provide them with a robust suite of tools to successfully manage their listings, including scheduling, merchandising, integrated payments, community support, Host protections, pricing guidance, and feedback from reviews. In November 2022, we launched Airbnb Setup, which is a new way to easily list a home, with free one-to-one guidance from a Superhost Ambassador.

We count the number of Hosts on our platform based on the number of users with available listings, defined as accommodations and experiences that are viewable on our platform (excluding HotelTonight), as of a certain date. We consider a listing of a home or an experience to be an "active listing" if it is viewable on Airbnb and has been previously booked at least once on Airbnb (excluding HotelTonight). In July 2022, all of our mainland Chinese listings were taken down as part of our decision to close the domestic business in China and instead focus on the outbound China business. As of December 31, 2022, we had 6.6 million active listings globally.

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Our Platform for Guests

Our website and mobile apps provide our guests with an engaging way to explore a wide variety of unique homes and experiences and an easy way to book them. To better meet the needs of our guests in 2022, we launched a new way to search on Airbnb designed around Airbnb Categories, with over 60 new categories that organize homes based on their style, location, or proximity to a travel activity. In June 2022, we also launched travel insurance for guests to provide guests in certain jurisdictions with the option to insure guest reservations against certain risks associated with their bookings.

Our System of Trust

The system for trust that we have designed includes the following components: Host and guest reviews, account protection, risk scoring, secure payments, a nondiscrimination policy, watchlist and background checks in certain jurisdictions, cleanliness, fraud and scam prevention, insurance and similar protections, booking restrictions, an urgent safety line, a 24/7 neighborhood support line, and a guest refund policy.

We offer top-to-bottom protection for our Hosts through AirCover for Hosts, which we expanded in November 2022. AirCover for Hosts includes, among other features, guest property damage protection of up to \$3 million per stay, liability coverage to Hosts of up to \$1 million per occurrence in the event of third-party claims of personal injury or property damage, deep cleaning protection, and pet damage protection.

In addition to AirCover for Hosts, we introduced AirCover for guests in May 2022. AirCover for guests provides guests with a booking protection guarantee, a check-in guarantee, a “get-what-you-booked” guarantee, and a 24-hour safety support line.

We have new initiatives under development and will continue to create additional features to strengthen the trust and safety on our platform.

Our Technology

Our technology platform powers our two-sided marketplace and enables our global network of Hosts and guests. As of December 31, 2022, we had more than 1,900 engineers within our product development organization. Given the nature of the business, our technology platform has broad and complex requirements:

- *Support of global payments.* It supports global payment capabilities; multilingual, real-time, community safety and support; city-specific regulatory support; and sophisticated anti-fraud and anti-money-laundering measures.
- *Delivery of deep business insights.* It delivers deep business intelligence insights to manage our marketplace, including pricing insights and occupancy optimization for our Hosts.
- *Incorporation of sophisticated machine learning.* It incorporates sophisticated machine learning to power key areas, from fraud detection, to enabling customized and real-time community support.
- *Operation of a microservices architecture.* We operate a microservices architecture and are evolving our foundational components to enable us to move rapidly in response to evolving customer needs without sacrificing correctness or stability.

As we continue to evolve our foundational technology, we are focused on the following broad capabilities:

- Data management systems that continue to support user privacy, analytics, machine learning, and business insights.
- Service reliability leading to best-in-class performance centered on availability, latency, disaster recovery and business continuity, security, testability, observability, operability, and agility.
- Cloud support focusing on robust capabilities for granular attribution and usage patterns to realize efficiency gains.

These continued technology investments aim to ensure we have a robust platform that allows us to more quickly adapt to the needs of our Hosts and guests around the world and increase the productivity of our product development organization.

Our Marketing

Our marketing strategy includes brand marketing, communications, and performance marketing. Brand marketing increases awareness among potential Hosts and guests, helping them understand the benefits of hosting and booking stays and experiences, and what makes these stays and experiences distinctly Airbnb. Our global communications team works across press, policy, and influencers to share timely and important news about Airbnb. They also oversee the execution of a global consumer, product, corporate, and policy-communications plan that supports our brand strategy and generates considerable press and social media coverage. While performance marketing drives additional traffic from high-intent prospective guests, the strength of the Airbnb brand and our communications strategy allows us to be less reliant on performance marketing.

Human Capital

We consider the management of our global talent to be essential to the ongoing success of our business. As of December 31, 2022, we had 6,811 employees.

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As of December 31, 2022, we relied on a global network of approximately 11,000 third-party contingent workers to handle the vast majority of our community support contacts. Our internal community support employees are comprised of operations teams who handle complex and sensitive issues, and enablement teams who support all community-facing teams, including our partners.

Attracting, recruiting, developing, and retaining diverse talent enables us to provide our Hosts and guests with innovative products and services as well as serve our other stakeholders. As of December 31, 2022, 49% of our global employees identify in the gender binary as women and 16% of our U.S.-based employees identify as under-represented minorities. Through our hiring process, we commit to encouraging diversity and eliminating bias, and we publish the changing demographic makeup of our workforce to hold ourselves accountable. We are also focused on supporting our employees across the full employee lifecycle from recruitment to onboarding to ongoing development.

Given the productivity of our workforce throughout the COVID-19 pandemic, in April 2022, we announced our Live and Work Anywhere policy. This policy allows for the vast majority of our employees to work remotely on a permanent basis. We believe that expanding our talent pool beyond the commuting radius near our offices will allow us to attract the best and most diverse employees over time. We aim to create a highly coordinated working culture, and as such, will continue to promote ways to keep employees highly engaged and connected by aligning employees' work through our roadmap, as well as curating employee collaboration sessions either in the office or at off-site locations.

Climate Change

In 2021, we announced our commitment to operating as a Net Zero company for our global corporate operations by 2030. To meet our goal, we have committed to a number of steps, including reducing greenhouse gas emissions associated with our corporate operations, and investing in quality nature-based solutions to offset residual emissions. This commitment is the latest step we are taking to help address the climate crisis. In 2020 and 2021, we achieved 100 percent renewable energy in our global offices, fulfilling a commitment we made in 2020, by purchasing energy attribute certificates sufficient to match our global electricity use for our corporate operations for those years. Additionally, in early 2021, we became a founding participant in the Lowering Emissions by Accelerating Forest Finance Coalition, a new public-private initiative that has mobilized \$1 billion to fight tropical deforestation.

Regulations

We are subject to laws, regulations, and rules that affect the short-term rental and home sharing business at city, state, country, and regional levels. While a number of cities and countries have implemented legislation to address short-term rentals, there are many others that are not yet explicitly addressing or enforcing short-term rental laws, and could follow suit and enact regulations. We seek to work with governments to establish clear, fair, and workable home sharing rules to create clarity for our Hosts.

No single city represented more than 1.3% of our revenue before adjustments for incentives and refunds during the year ended December 31, 2022 or 1.1% of our active listings as of December 31, 2022. Incentives include our referral programs and marketing promotions to encourage the use of our platform and attract new Hosts and guests, while our refunds to Hosts and guests are part of our support activities. We do not believe that the current regulations in our top 10 cities, in the aggregate, have had or are expected to have a material adverse impact on our results of operations and financial condition. We will continue to collaborate with policymakers to implement sensible legislation around the world.

In addition to laws, regulations, and rules directly applicable to the short-term rental and home sharing business, we are subject to a wide variety of laws, regulations and rules governing our business practices, the Internet, e-commerce, and electronic devices, including those relating to taxation, privacy, data privacy, data security, pricing, content, advertising, discrimination, consumer protection, protection of minors, copyrights, distribution, messaging, mobile communications, electronic device certification, electronic waste, electronic contracts, communications, Internet access, competition, and unfair commercial practices. We are also subject to laws, regulations, and rules governing the provision of online payment services, the design and operation of our platform, and the operations, characteristics, and quality of our platform and services. Additionally, we are subject to a variety of taxes and tax collection obligations in the United States (federal, state, and local) and numerous foreign jurisdictions.

Our payments platform is subject to various laws, rules, regulations, policies, legal interpretations, and regulatory guidance, including those governing: cross-border and domestic money transmission and funds transfers; stored value and prepaid access; foreign exchange; data privacy, data security, and cybersecurity; banking secrecy; payment services (including payment processing and settlement services); consumer protection; economic and trade sanctions; anti-corruption and anti-bribery; and anti-money laundering and counter-terrorist financing.

Our business collects, processes and uses the personal data of individuals across the globe. As a result, compliance with laws on data privacy and data security regulating the storage, sharing, use, processing, transfer, disclosure, and protection of personal data is core to our strategy and integral to the creation of trust in our platform. We take a variety of technical and organizational security measures and other procedures and protocols to protect data, including data pertaining to Hosts, guests, employees, and others. Despite measures we put in place, we may be unable to anticipate or prevent unauthorized access to such data.

Legal requirements relating to the collection, storage, handling, use, disclosure, transfer, and security of personal data continue to evolve, and regulatory scrutiny in this area is increasing around the world. This increases the complexity of compliance requirements, may limit offerings, and result in additional expenses while also diverting attention and resources from other projects. Regulators around the world continue to propose more stringent data privacy and data security laws, and these laws are rapidly increasing in number, complexity, enforcement, fines, and penalties. Data privacy and data security laws and their interpretations continue to develop and may be inconsistent from jurisdiction to jurisdiction.

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As we continue to expand the reach of our brand into additional markets, we will be increasingly subject to additional laws, regulations, and rules.

For additional information regarding these and other laws, regulations, and rules that affect us and our business, see Note 12, *Commitments and Contingencies – Legal and Regulatory Matters – Regulatory Matters* to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K and Part I, Item 1A. Risk Factors of this Annual Report on Form 10-K.

Seasonality

Our business is seasonal, reflecting typical travel behavior patterns over the course of the calendar year. In a typical year, the first, second, and third quarters have higher Nights and Experiences Booked than the fourth quarter, as guests plan for travel during the peak travel season, which is in the third quarter for North America and Europe, the Middle East, and Africa ("EMEA"). Our key business metrics, including Gross Booking Value ("GBV") and Adjusted EBITDA, can also be impacted by the timing of holidays and other events. We experience seasonality in our GBV that is generally consistent with the seasonality of Nights and Experiences Booked. Revenue and Adjusted EBITDA have historically been, and are expected to continue to be, highest in the third quarter when we have the most check-ins, which is the point at which we recognize revenue. Seasonal trends in our GBV impact Free Cash Flow for any given quarter. Our costs are relatively fixed across quarters or vary in line with the volume of transactions, and we historically achieve our highest GBV in the first and second quarters of the year with comparatively lower check-ins. As a result, increases in unearned fees generally make our Free Cash Flow and Free Cash Flow as a percentage of revenue the highest in the first two quarters of the year. We typically see a slight decline in GBV and a peak in check-ins in the third quarter, which results in a decrease in unearned fees and lower sequential level of Free Cash Flow, and a greater decline in GBV in the fourth quarter, where Free Cash Flow is typically lower. As our business matures, other seasonal trends may develop, or these existing seasonal trends may become more extreme. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Business Metrics and Non-GAAP Financial Measures" included in Item 7 of Part 2 of this Annual Report on Form 10-K for definitions of our key business metrics.

While we saw COVID-19 distort the historical patterns of seasonality for our GBV, revenue, Adjusted EBITDA, and Free Cash Flow in 2020 and 2021 as a result of travel restrictions and changing travel preferences relating to the COVID-19 pandemic, we saw pre-pandemic patterns of seasonality return in 2022.

Competition

We operate in a highly competitive environment. As we seek to expand our community globally, we face competition in attracting Hosts and guests.

Competition for Hosts

We compete to attract and retain Hosts to and on our platform to list their homes and experiences, as Hosts have a range of options for doing so. We compete for Hosts based on many factors including the volume of bookings generated by guests, ease of use of our platform, the service fees we charge, Host protections, such as those included in AirCover for Hosts, and our brand.

Competition for Guests

We compete to attract and retain guests to and on our platform, as guests have a range of options to find and book accommodations and experiences. We compete for guests based on many factors, including unique inventory and availability of listings, the value and all-in cost of Host offerings on our platform relative to other options, our brand, ease of use of our platform, the trust and safety of our platform, and community support.

Our competitors include:

- Online travel agencies ("OTAs"), such as Booking Holdings (including the brands Booking.com, KAYAK, Priceline.com, and Agoda.com); Expedia Group (including the brands Expedia, Vrbo, HomeAway, Hotels.com, Orbitz, and Travelocity); Trip.com Group (including the brands Ctrip.com, Trip.com, Qunar, Tongcheng-eLong, and SkyScanner); Hopper; Meituan Dianping; Fliggy (a subsidiary of Alibaba); Despegar; MakeMyTrip; and other regional OTAs;
- Internet search engines, such as Google, including its travel search products; Baidu; and other regional search engines;
- Listing and meta search websites, such as TripAdvisor, Trivago, Mafengwo, AllTheRooms.com, Hometogo, Holida, and Craigslist;
- Hotel chains, such as Marriott, Hilton, Accor, Wyndham, InterContinental, OYO, and Huazhu, as well as boutique hotel chains and independent hotels;
- Property management companies, such as Vacasa, Sonder, Inspirato, Evolve, Awaze, and other regional property management companies; and
- Online platforms offering experiences, such as Viator, GetYourGuide, Klook, Traveloka, TUI Musement, and KKDay.

Our Intellectual Property

Our intellectual property is an important component of our business. To establish and protect our proprietary rights, we rely on a combination of patents, trademarks, copyrights, domain names, social media handles, know-how, license agreements, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other intellectual property and contractual rights.

We have a substantial patent portfolio, consisting of issued patents and pending patent applications from the United States and multiple foreign jurisdictions. The portfolio includes both organically grown patent assets and a large number of assets acquired from IBM as part of a

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2020 patent litigation settlement. We own a trademark portfolio with protections in more than 170 countries in which we currently operate for our primary brands — AIRBNB and our Bélo logo. Additionally, we own trademark protections around the world for other brands or protectable brand elements important to our business, including but not limited to Rausch, our primary corporate color, localizations, translations, and transliterations of our primary brands, and brands associated with businesses we have acquired. We have registered domain names that we use in or relate to our business, such as the airbnb.com domain name and country code top level domain name equivalents.

Available Information

Our website address is www.airbnb.com. Information contained on, or that can be accessed through, our website does not constitute part of this Annual Report on Form 10-K. The U.S. Securities and Exchange Commission (“SEC”) maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) are also available free of charge on our investor relations website (investors.airbnb.com) as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

We webcast our quarterly results calls and certain events we participate in or host with members of the investment community on our investor relations website. Additionally, we provide notifications of news or announcements regarding our financial performance, including SEC filings, investor events, and press and earnings releases, as part of our investor relations website. The contents of these websites are not intended to be incorporated by reference into this report or in any other report or document we file.

Item 1A. Risk Factors

Our business, operations, and financial results are subject to various risks and uncertainties, including those described below, that could materially adversely affect our business, results of operations, financial condition, and the trading price of our Class A common stock. The following material factors, among others, could cause our actual results to differ materially from historical results and those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors, and oral statements.

Risks Related to Our Business

Our revenue growth rate has slowed over time, and we expect it to continue to slow in the future.

We have experienced significant revenue growth in the past; however, our revenue growth rate has slowed over time and there is no assurance that historic growth rates will return. Our future revenue growth depends on the growth of supply and demand for listings on our platform, and our business is affected by general economic and business conditions worldwide as well as trends in the global travel and hospitality industries and the short and long-term accommodation regulatory landscape. In addition, we believe that our revenue growth depends upon a number of factors, including:

- global macroeconomic conditions, including inflation and rising interest rates and recessionary concerns;
- our ability to retain and grow the number of guests and Nights and Experiences Booked;
- our ability to retain and grow the number of Hosts and the number of available listings on our platform;
- events beyond our control such as pandemics and other health concerns, restrictions on travel and immigration, political, social or economic instability, including international disputes, war, or terrorism, trade disputes, economic downturns, and the impact of climate change on travel including the availability of preferred destinations and the increase in the frequency and severity of weather-related events, including fires, floods, droughts, extreme temperatures and ambient temperature increases, severe weather, and other natural disasters, and the impact of other climate change on seasonal destinations;
- competition;
- the legal and regulatory landscape and changes in the application of existing laws and regulations or adoption of new laws and regulations that impact our business, Hosts, and/or guests, including changes in short-term occupancy, tax laws, and real estate broker laws;
- the attractiveness of home sharing to prospective Hosts and guests;
- the level of consumer awareness and perception of our brand;
- our ability to build and strengthen trust and safety on our platform and among members of our community;
- the level of spending on brand and performance marketing to attract Hosts and guests to our platform;
- our ability to grow new offerings and tiers and to deepen our presence in certain geographies;
- timing, effectiveness, and costs of expansion and upgrades to our platform and infrastructure;
- the COVID-19 pandemic or any future pandemic or epidemic and its impact on the travel and accommodations industries; and
- other risks described elsewhere in this Annual Report on Form 10-K.

A softening of demand, whether caused by events outside of our control, such as the ongoing COVID-19 pandemic, challenging macroeconomic conditions, changes in Host and guest preferences, any of the other factors described above, or in this Annual Report on Form 10-K or otherwise, may result in decreased revenue and our business, results of operations, and financial condition would be materially adversely affected.

If we fail to retain existing Hosts or add new Hosts, or if Hosts fail to provide high-quality stays and experiences, our business, results of operations, and financial condition would be materially adversely affected.

Our business depends on Hosts maintaining their listings on our platform and engaging in practices that encourage guests to book those listings, including increasing the number of nights and experiences that are available to book, providing timely responses to inquiries from guests, offering a variety of desirable and differentiated listings at competitive prices that meet the expectations of guests, and offering exceptional hospitality, services, and experiences to guests. These practices are outside of our direct control. If Hosts do not establish or maintain a sufficient number of listings and availability for listings, the number of Nights and Experiences Booked declines for a particular period, or the price charged by Hosts declines, our revenue would decline and our business, results of operations, and financial condition would be materially adversely affected.

Hosts manage and control their spaces and experiences and typically market them on our platform with no obligation to make them available to guests for specified dates and with no obligation to accept bookings from prospective guests. We have had many Hosts list their properties on our platform in one period and cease to offer these properties in subsequent periods for a variety of reasons. While we plan to continue to invest in our Host community and in tools to assist Hosts, these investments may not be successful in growing our Hosts and listings on our platform. In addition, Hosts may not establish or maintain listings if we cannot attract prospective guests to our platform and generate bookings from a large number of guests. If we are unable to retain existing Hosts or add new Hosts, or if Hosts elect to market their listings exclusively with a competitor or cross-list with a competitor, we may be unable to offer a sufficient supply and variety of properties or experiences to attract guests to use our platform. In particular, it is critical that we continue to attract and retain individual Hosts who list their spaces, including private rooms, primary homes, or vacation homes, on Airbnb. We attract individual Hosts predominantly through organic channels such as word of mouth and our strong brand recognition. If we are unable to attract and retain individual Hosts in a cost-effective manner, or at all, our business, results of operations, and financial condition would be materially adversely affected.

Professional Hosts, including property management companies, serviced apartment providers, and boutique hotels, expand the types of listings available to our guests. These professional Hosts often list on our platform as well as on the platforms of our competitors. We do not

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control whether professional Hosts provide us with a sizable allocation of rooms and competitive pricing relative to the same properties listed with other services. If we are not able to effectively deploy professional tools, application programming interfaces, and payment processes, work with third-party channel managers, and develop effective sales and account management teams that address the needs of these professional Hosts, we may not be able to attract and retain professional Hosts. If our fee structure and payment terms are not as competitive as those of our competitors, these professional Hosts may choose to provide less inventory and availability with us. Historically, we have seen an increase in the number of, and revenue from, professional Hosts on our platform. The uniqueness of listings on our platform will be negatively impacted if the number of individual Hosts does not grow at the same rate.

In addition, the number of listings on Airbnb may decline as a result of a number of other factors affecting Hosts, including: the COVID-19 pandemic; enforcement or threatened enforcement of laws and regulations, including short-term occupancy and tax laws; private groups, such as homeowners, landlords, and condominium and neighborhood associations, adopting and enforcing contracts that prohibit or restrict home sharing; leases, mortgages, and other agreements, or regulations that purport to ban or otherwise restrict home sharing; Hosts opting for long-term rentals on other third-party platforms as an alternative to listing on our platform; economic, social, and political factors; perceptions of trust and safety on and off our platform; negative experiences with guests, including guests who damage Host property, throw unauthorized parties, or engage in violent and unlawful acts; and our decision to remove Hosts from our platform for not adhering to our Host standards or other factors we deem detrimental to our community.

We believe that our Host protection programs, including those provided through AirCover for Hosts, are integral to retaining and acquiring Hosts. AirCover for Hosts includes but is not limited to our Host Damage Protection program, which protects Hosts against guest property damage of up to \$3 million, and our Host Liability Insurance and Experiences Liability Insurance, which provide liability insurance of up to \$1 million, to protect our Hosts against qualifying third-party claims for personal injury or property damage. If we discontinue these programs or these programs prove less effective, whether because our payouts under these programs or our insurance premiums become cost prohibitive or for any other reason, then the number of Hosts who list with us may decline.

In addition, we have incurred, and may continue to incur, higher than normal payments via refunds and travel credit issuance to guests who cancel for reasons related to COVID-19. Hosts and guests whose reservations are canceled under our extenuating circumstances policy, including for reasons related to COVID-19, have had and may continue to have a negative view of such policy and may experience negative financial impacts as a result of such cancellations. This could materially negatively impact our relationship with our Hosts and guests, resulting in Hosts leaving our platform, removing their listings, and/or offering less availability, or fewer repeat guests, which in turn could have a material adverse impact on our business, results of operations, and financial condition.

If we fail to retain existing guests or add new guests, our business, results of operations, and financial condition would be materially adversely affected.

Our success depends significantly on existing guests continuing to book and attracting new guests to book on our platform. Our ability to attract and retain guests could be materially adversely affected by a number of factors discussed elsewhere in these "Risk Factors," including:

- events beyond our control such as the ongoing COVID-19 pandemic, other pandemics and health concerns, restrictions on travel, immigration, trade disputes, economic downturns, and the impact of climate change on travel including the availability of preferred destinations and the increase in the frequency and severity of weather-related events, including fires, floods, droughts, extreme temperatures and ambient temperature increases, severe weather and other natural disasters, and the impact of other climate change on seasonal destinations;
- political, social, or economic instability;
- Hosts failing to meet guests' expectations, including increased expectations for cleanliness in light of the COVID-19 pandemic;
- increased competition and use of our competitors' platforms and services;
- Hosts failing to provide differentiated, high-quality, and an adequate supply of stays or experiences at competitive prices;
- guests not receiving timely and adequate community support from us;
- our failure to provide new or enhanced offerings, tiers, or features that guests value;
- declines or inefficiencies in our marketing efforts;
- negative associations with, or reduced awareness of, our brand;
- actual or perceived discrimination by Hosts in deciding whether to accept a requested reservation;
- negative perceptions of the trust and safety on our platform; and
- macroeconomic and other conditions outside of our control affecting travel and hospitality industries generally.

In addition, if our platform is not easy to navigate, guests have an unsatisfactory sign-up, search, booking, or payment experience on our platform, the listings and other content provided on our platform is not displayed effectively to guests, we are not effective in engaging guests across our various offerings and tiers, or we fail to provide an experience in a manner that meets rapidly changing demand, we could fail to convert first-time guests and fail to engage with existing guests, which would materially adversely affect our business, results of operations, and financial condition.

Any decline or disruption in the travel and hospitality industries or economic downturn could materially adversely affect our business, results of operations, and financial condition.

Our financial performance is dependent on the strength of the travel and hospitality industries. The outbreak of COVID-19 and emergence of its variants caused many governments to implement quarantines and significant restrictions on travel or to advise that people remain at home where possible and avoid crowds, which has had a particularly negative impact on cross-border travel. Other events beyond our control, such as unusual or extreme weather or natural disasters, such as earthquakes, hurricanes, fires, tsunamis, floods, severe weather, droughts, extreme temperatures and ambient temperature increases, and volcanic eruptions, the frequency and severity of which may be increasingly impacted by climate change in future years (although it is currently impossible to predict with accuracy the scale of such

impact), and travel-related health concerns including pandemics and epidemics such as Ebola, Zika, and Middle East Respiratory Syndrome, restrictions related to travel including COVID-19 related vaccination requirements, trade or immigration policies, wars, such as the ongoing military action between Russia and Ukraine, terrorist attacks, sources of political uncertainty, political unrest, protests, violence in connection with political or social events, foreign policy changes, regional hostilities, flight capacity restrictions, immigration restrictions (including backlogs on passport renewals or limitations on visa grants), imposition of taxes or surcharges by regulatory authorities, changes in regulations, policies, or conditions related to sustainability, including climate change and climate-related migration, work stoppages, labor unrest, or travel-related accidents can disrupt travel globally or otherwise result in declines in travel demand. Because many of these events or concerns, and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel behavior by consumers, and therefore demand for our platform and services, which could materially adversely affect our business, results of operations, and financial condition. In addition, increasing awareness of the impact of air travel on climate change and the impact of over-tourism may adversely impact the travel and hospitality industries and demand for our platform and services, whether due to the imposition of policies and regulations or changing societal attitudes towards travel.

Additionally, the impact of macroeconomic conditions, including adverse economic conditions, are highly uncertain and cannot be predicted. Our financial performance is subject to global economic conditions and their impact on levels of discretionary consumer spending. Some of the factors that have an impact on discretionary consumer spending include general economic conditions, worldwide or regional recession, unemployment, consumer debt, reductions in net worth, fluctuations in exchange rates, inflation, residential real estate and mortgage markets, taxation, energy prices, interest rates, consumer confidence, tariffs, and other macroeconomic factors. Additional adverse macroeconomic conditions, including inflation, slower growth or recession, higher interest rates, high unemployment, and currency fluctuations can adversely affect consumer confidence in spending and materially adversely affect the demand for travel or similar experiences. Additionally, consumer confidence and spending can be materially adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, energy shortages or cost increases, labor and healthcare costs, and other economic factors. These factors may affect demand for our offerings, and uncertainty about global or regional economic conditions can also have a negative adverse impact on the number of Hosts and guests who use our platform. Consumer preferences tend to shift to lower-cost alternatives during recessionary periods and other periods in which disposable income is adversely affected, which could lead to a decline in the bookings and prices for stays and experiences on our platform and an increase in cancellations, and thus result in lower revenue. Leisure travel in particular, which accounts for a substantial majority of our current business, is dependent on discretionary consumer spending levels. Downturns in worldwide or regional economic conditions have led to a general decrease in leisure travel and travel spending in the past, and similar downturns in the future may materially adversely impact demand for our platform and services. Such a shift in consumer behavior would materially adversely affect our business, results of operations, and financial condition.

The COVID-19 pandemic has materially adversely impacted, and may continue to adversely impact, our business, results of operations, and financial condition.

Since early 2020, the world has been and continues to be impacted by COVID-19 and its variants. Government regulations in response to the pandemic and changes in social behaviors have closed or limited certain government functions, businesses, or have otherwise limited social or public gatherings. Such mitigation measures that have impacted our business include travel restrictions or quarantine and shelter-in-place orders. These responses, which continue to shift as variants or outbreaks of COVID-19 continue to develop, have had and may continue to have a material adverse impact on our business and operations and on travel behavior and demand.

Global economic conditions and consumer trends have shifted since early 2020 in response to the COVID-19 pandemic, and continue to persist and may have a long-lasting adverse impact on us and the travel industry independently of the progress of the pandemic.

The extent of the continued impact of the COVID-19 pandemic or any future pandemic or epidemic on our business and financial results will depend largely on future developments globally and within the United States, the prevalence of local, national, and international travel restrictions (including new or reinstated restrictions as a result of COVID-19 variants or other highly infectious diseases), vaccination requirements in connection with travel, and impacts and fluctuations in demand for travel, including air travel or gas prices. To the extent the COVID-19 pandemic continues to impact our business, results of operations, and financial condition, it may also have the effect of heightening many of the other risks described in these "Risk Factors" or elsewhere in this Annual Report on Form 10-K. Any of the foregoing factors, or other cascading effects of the COVID-19 pandemic or any future pandemic or epidemic and changes in macroeconomic conditions that are not currently foreseeable, may materially adversely impact our business, results of operations, and financial condition.

We have previously incurred net losses and our Adjusted EBITDA and Free Cash Flow have declined in prior periods. We may once again incur net losses and see a decline in Adjusted EBITDA and Free Cash Flow and we may not be able to sustain profitability.

Although we had net income of \$1.9 billion for the year ended December 31, 2022, we incurred net losses of \$4.6 billion and \$352.0 million for the years ended December 31, 2020 and 2021, respectively. As of December 31, 2022, we had an accumulated deficit of \$6.0 billion. Any failure to increase our revenue or any failure to manage an increase in our operating expenses could prevent us from sustaining profitability as measured by net income, operating income, or Adjusted EBITDA.

Additionally, stock-based compensation expense related to restricted stock units ("RSUs") and other equity awards will continue to be a significant expense in future periods. In addition, in the first quarter of 2022, we began using corporate cash to make required tax payments associated with the vesting of employee RSUs and withhold a corresponding number of shares from employees. We anticipate that we will spend substantial funds to satisfy tax withholding and remittance obligations when we settle employee RSUs.

Although we had positive Adjusted EBITDA of \$1.6 billion and \$2.9 billion for the years ended December 31, 2021 and 2022, respectively, we had negative Adjusted EBITDA of \$(251.0) million for the year ended December 31, 2020. Our Free Cash Flow was \$(777.9) million, \$2.3 billion, and \$3.4 billion for the years ended December 31, 2020, 2021 and 2022, respectively. While our Adjusted EBITDA and Free Cash Flow increased in 2021 and 2022, we may experience declines in Adjusted EBITDA and Free Cash Flow in the future. Adverse developments in our

business, including lower than anticipated revenue, higher than anticipated operating expenses, impacts of the ongoing COVID-19 pandemic and net unfavorable changes in working capital, could result in a negative trend in our Adjusted EBITDA and Free Cash Flow. If our future Adjusted EBITDA or Free Cash Flow fail to meet investor or analyst expectations, it is likely to have a materially adverse effect on our stock price. Adjusted EBITDA and Free Cash Flow are supplemental metrics that are not calculated and presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP" or "GAAP"). See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Business Metrics and Non-GAAP Financial Measures" for a reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable financial measure stated in accordance with GAAP and for additional information.

The business and industry in which we participate are highly competitive, and we may be unable to compete successfully with our current or future competitors.

We operate in a highly competitive environment and we face significant competition in attracting Hosts and guests.

- **Hosts.** We compete to attract, engage, and retain Hosts on our platform to list their spaces and experiences. Hosts have a range of options for listing their spaces and experiences, both online and offline. It is also common for Hosts to cross-list their offerings. We compete for Hosts based on many factors, including the volume of bookings generated by our guests; ease of use of our platform (including onboarding, community support, and payments); the service fees we charge; Host protections, such as our Host Liability Insurance, Experiences Liability Insurance, and Host Damage Protection program; and our brand.
- **Guests.** We compete to attract, engage, and retain guests on our platform. Guests have a range of options to find and book spaces, hotel rooms, serviced apartments, and other accommodations and experiences, both online and offline. We compete for guests based on many factors, including unique inventory and availability of listings, the value and all-in cost of our offerings relative to other options, our brand, ease of use of our platform, the relevance and personalization of search results, the trust and safety of our platform, and community support.

We believe that our competitors include:

- OTAs such as Booking Holdings (including the brands Booking.com, KAYAK, Priceline.com, and Agoda.com); Expedia Group (including the brands Expedia, Vrbo, HomeAway, Hotels.com, Orbitz, and Travelocity); Trip.com Group (including the brands Ctrip.com, Trip.com, Qunar, Tongcheng-eLong, and SkyScanner); Hopper; Meituan Dianping; Fliggy (a subsidiary of Alibaba); Despegar; MakeMyTrip; and other regional OTAs;
- Internet search engines, such as Google, including its travel search products; Baidu; and other regional search engines;
- Listing and meta search websites, such as TripAdvisor, Trivago, Mafengwo, AllTheRooms.com, Hometogo, Holidu, and Craigslist;
- Hotel chains, such as Marriott, Hilton, Accor, Wyndham, InterContinental, OYO, and Huazhu, as well as boutique hotel chains and independent hotels;
- Property management companies, such as Vacasa, Sonder, Inspirato, Evolve, Awaze, and other regional property management companies; and
- Online platforms offering experiences, such as Viator, GetYourGuide, Klook, Traveloka, TUI Musement, and KKDay.

Our competitors are adopting aspects of our business model, which could affect our ability to differentiate our offerings from competitors. Increased competition could result in reduced demand for our platform from Hosts and guests, slow our growth, and materially adversely affect our business, results of operations, and financial condition.

Many of our current and potential competitors enjoy substantial competitive advantages over us, such as greater name and brand recognition, longer operating histories, larger marketing budgets, and loyalty programs, as well as substantially greater financial, technical, and other resources. In addition, our current or potential competitors have access to larger user bases and/or inventory for accommodations, and may provide multiple travel products, including flights. As a result, our competitors may be able to provide consumers with a better or more complete product experience and respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or Host and guest requirements or preferences. The global travel 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 industry. Consolidation amongst our competitors will give them increased scale and may enhance their capacity, abilities, and resources, and lower their cost structures. In addition, emerging start-ups may be able to innovate and focus on developing a new product or service faster than we can or may foresee consumer need for new offerings or technologies before we do.

There are now numerous competing companies that offer homes for booking, which may be cross-listed on our platform, listed on competing platforms, and/or available through direct booking sites. Some of these competitors also aggregate property listings obtained through various sources, including the websites of property managers. Some of our Hosts have chosen to cross-list their properties, which reduces the availability of such properties on our platform. When properties are cross-listed, the price paid by guests on our platform may be or may appear to be less competitive for a number of reasons, including differences in fee structure and policies, which may cause guests to book through other services, which could materially adversely affect our business, results of operations, and financial condition. Certain property managers reach out to our Hosts and guests to incentivize them to list or book directly with them and bypass our platform, and certain Hosts may encourage transactions outside of our platform, which reduces the use of our platform and services.

Some of our competitors or potential competitors have more established or varied relationships with consumers than we do, and they could use these advantages in ways that could affect our competitive position, including by entering the travel and accommodations businesses. For example, some competitors or potential competitors are creating "super-apps" where consumers can use many online services without leaving that company's app, e.g., in particular regions, such as Asia, where e-commerce transactions are conducted primarily through apps on mobile devices. If any of these platforms are successful in offering services similar to ours to consumers, or if we are unable to offer our services to consumers within these super-apps, our customer acquisition efforts could be less effective and our customer acquisition costs,

including our brand and performance marketing expenses, could increase, any of which could materially adversely affect our business, results of operations, and financial condition. We also face increasing competition from search engines including Google. How Google presents travel search results, and its promotion of its own travel meta-search services, such as Google Travel and Google Vacation Rental Ads, or similar actions from other search engines, and their practices concerning search rankings, could decrease our search traffic, increase traffic acquisition costs, and/or disintermediate our platform. These parties can also offer their own comprehensive travel planning and booking tools, or refer leads directly to suppliers, other favored partners, or themselves, which could also disintermediate our platform. In addition, if Google or Apple use their own mobile operating systems or app distribution channels to favor their own or other preferred travel service offerings, or impose policies that effectively disallow us to continue our full product offerings in those channels, it could materially adversely affect our ability to engage with Hosts and guests who access our platform via mobile apps or search.

Laws, regulations, and rules that affect the short-term rental, long-term rental, and home sharing business have limited and may continue to limit the ability or willingness of Hosts to share their spaces over our platform and expose our Hosts or us to significant penalties, which have had and could continue to have a material adverse effect on our business, results of operations, and financial condition.

Since we began our operations in 2008, there have been and continue to be legal and regulatory developments that affect the short-term rental, long-term rental, and home sharing business. Hotels and groups affiliated with hotels have engaged and will likely continue to engage in various lobbying and political efforts for stricter regulations governing our business in both local and national jurisdictions. Other private groups, such as homeowners, landlords, and condominium and neighborhood associations, have adopted contracts or regulations that purport to ban or otherwise restrict short-term rentals, and third-party lease agreements between landlords and tenants, home insurance policies, and mortgages may prevent or restrict the ability of Hosts to list their spaces. These groups and others cite concerns around affordable housing and over-tourism in major cities among other issues, and some state and local governments have implemented or considered implementing rules, ordinances, or regulations governing the short-term or long-term rental of properties and/or home sharing. For example, in December 2021, the European Commission closed a consultation in relation to a potential EU Short Term Rental Instrument which, if enacted, could have a material impact on the way short-term rentals are regulated in the European Union and the obligations on platforms (including around data sharing or the need to enforce registration schemes). In response, in November 2022, the European Commission proposed a regulation intended to enhance and harmonize transparency, registration, and reporting requirements for short term rental platforms. Specific obligations include steps to enhance the transparency of certain host information on the platform (such as host registration numbers where required locally) and reporting by the platform to local authorities (including, for example, Host information, length of stay, and number of guests). If enacted, this regulation could have a material impact on the way short-term rentals are regulated in the European Union and would require additional resources to assess our compliance and make appropriate adjustments in order to comply with its requirements. This regulation is intended to complement the DSA (defined below), such that relevant platforms, including ours, will be subject to both of these pieces of legislation.

Legislation in other regions also could have a material impact on the way short-term and long-term rentals are regulated. Such regulations include ordinances that restrict or ban Hosts from short-term rentals or long-term rentals, set annual caps on the number of days Hosts can share their homes, require Hosts to register with the municipality or city, or require Hosts to obtain permission before offering short-term rentals, or impose obligations on us to assist in the enforcement of these regulations. For example, in New York City a law enacted in 2022 limits the properties that can host short-term rentals. It also contains several new obligations for short-term rental hosts and platforms. In addition, some jurisdictions regard short-term rental or home sharing as "hotel use" and claim that such use constitutes a conversion of a residential property to a commercial property. In November 2022, the Digital Services Act (the "DSA") came into force. The majority of the substantive provisions of the DSA will begin to take effect between 2023 and 2024. The DSA will govern, among other things, potential liability for illegal content on platforms, the traceability of traders, and transparency reporting obligations, including information on "monthly active recipients" in the European Union. The DSA may increase our compliance costs and require additional resources as well as changes to our processes and operations. Macroeconomic pressures and public policy concerns could continue to lead to new laws and regulations, or interpretations of existing laws and regulations, or widespread enforcement actions that limit the ability of Hosts to share their spaces. If laws, regulations, rules, or agreements significantly restrict or discourage Hosts in certain jurisdictions from sharing their properties, it would have a material adverse effect on our business, results of operations, and financial condition.

While a number of cities and countries have implemented legislation to address short-term rentals, there are many others that are not yet explicitly addressing or enforcing short-term rental or long-term rental laws, and could follow suit and enact regulations with direct requirements on platforms such as Airbnb. New laws, regulations, government policies, or changes in their interpretations in the over 100,000 cities and towns where we operate entail significant challenges and uncertainties. In the event of any such changes, pre-existing bookings may not be honored and current and future listings and bookings could decline significantly, and our relationship with our Hosts and guests could be negatively impacted, which would have a materially adverse effect on our business, results of operations, and financial condition. For example, if new regulations requiring us to share Host data with such governmental organizations or to ensure that Hosts have a registration or permit number before publishing their listings or some other form of regulation are implemented, our revenue from listings there may be substantially reduced due to the departure from our platform of Hosts who do not wish to share their data or to obtain a registration or permit number. A reduction in supply and cancellations could make our platform less attractive to guests, and any reduction in the number of guests could further reduce the number of Hosts on our platform.

While we seek to work with governments, we have in the past been, and are likely in the future to become, involved in disputes with government agencies regarding such laws and regulations. For example, some governments have attempted to impose fines on us regarding what they contend is illegal offering of short-term accommodations in violation of applicable laws. Certain jurisdictions have adopted laws and regulations that seek to impose various types of taxes, including lodging taxes, often known as transient or occupancy taxes, on our guests, collection and remittance obligations on our Hosts and/or us, and withholding obligations on us, as more fully described in our risk factor titled "— Uncertainty in the application of taxes to our Hosts, guests, or platform could increase our tax liabilities and may discourage Hosts and guests from conducting business on our platform." In addition, some third parties and regulators have asserted and may in the future assert that we, through our operations, are subject to regulations with respect to short-term rentals, Host registration, licensing, and other requirements for the listing of accommodations and experiences, such as real estate broker or agent

licenses, travel agency licenses, e-commerce platform operator, and insurance-related licenses. We could be held liable and incur significant financial and potential criminal penalties if we are found to have violated any of these regulations. In certain jurisdictions, we have resolved disputes concerning the application of these laws and regulations by agreeing, among other things, to remove listings from our platform at the request of government entities, to require Hosts to enter a permit or registration number or take other action before publishing listings on our platform, to share certain data with government agencies to assist in the enforcement of limits on short-term or long-term rentals as well as the enforcement of safety regulations, and to implement measures to confirm to the government that Hosts are operating in compliance with applicable law. When a government agency seeks to apply laws and regulations in a manner that limits or curtails Hosts' or guests' ability or willingness to list and search for accommodations in that particular geography, we have attempted and may continue to attempt through litigation or other means to defend against such application of laws and regulations, but have sometimes been and may continue to be unsuccessful in certain of those efforts. Further, if we or our Hosts and guests were required to comply with laws and regulations, government requests, or agreements with government agencies that adversely impact our relations with Hosts and guests, our business, results of operations, and financial condition would be materially adversely affected. Moreover, if we enter an agreement with a government or governmental agency to resolve a dispute, the terms of such agreement may be publicly available and could create a precedent that may lead to similar disputes in other jurisdictions and may put us in a weaker bargaining position in future disputes with other governments.

We are subject to a wide variety of complex, evolving, and sometimes inconsistent and ambiguous laws and regulations that may adversely impact our operations and discourage Hosts and guests from using our platform, and that could cause us to incur significant liabilities including taxes, compliance costs, fines, and criminal penalties, which could have a material adverse effect on our business, results of operations, and financial condition.

Hosts list, and guests search for, stays and experiences on our platform in more than 220 countries and regions, and in over 100,000 cities and towns throughout the world. There are national, state, local, and foreign laws and regulations in jurisdictions that relate to or affect our business. Moreover, the laws and regulations of each jurisdiction in which we operate are distinct and may result in inconsistent or ambiguous interpretations among local, regional, or national laws or regulations applicable to our business. Compliance with laws and regulations of different jurisdictions imposing varying standards and requirements is burdensome for businesses like ours, imposes added cost and increases potential liability to our business, and makes it difficult to realize business efficiencies and economies of scale. For example, we incur significant operational costs to comply with requirements of jurisdictions and cities that have disparate requirements around tax collection, tax reporting, Host registration, limits on lengths of stays, and other regulations, each of which require us to dedicate significant resources to provide the infrastructure and tools needed on our platform for our Hosts to meet these legal requirements and for us to fulfill any obligations we may have. The complexity of our platform and changes required to comply with the large number of disparate requirements can lead to compliance gaps if our internal resources cannot keep up with the pace of regulatory change and new requirements imposed on our platform, or if our platform does not work as intended or has errors or bugs. Environmental, health, and safety requirements have also become increasingly stringent, and our costs, and our Hosts' costs, to comply with such requirements may increase as a result. New or revised laws and regulations or new interpretations of existing laws and regulations, such as those related to climate change, could affect the operation of our Hosts' properties or result in significant additional expense and operating restrictions on us.

It may be difficult or impossible for us to investigate or evaluate laws or regulations in all cities, countries, and regions. The application of existing laws and regulations to our business and platform can be unclear and may be difficult for Hosts, guests, and us to understand and apply, and are subject to change, as governments or government agencies seek to apply legacy systems of laws or adopt new laws to new online business models in the travel and accommodations industries, including ours. Uncertain and unclear application of such laws and regulations to Host and guest activity and our platform could cause and has caused some Hosts and guests to leave or choose not to use our platform, reduce supply and demand for our platform and services, increase the costs of compliance with such laws and regulations, and increase the threat of litigation or enforcement actions related to our platform, all of which would materially adversely affect our business, results of operations, and financial condition. See also our risk factor titled "— We could face liability for information or content on or accessible through our platform."

There are laws that apply to us, and there are laws that apply to our Hosts and/or guests. While we require our Hosts and guests to comply with their own independent legal obligations under our terms of service, we have limited means of enforcing or ensuring the compliance of our Hosts and guests with all applicable legal requirements. Sometimes governments try to hold us responsible for laws that apply to our Hosts and/or guests. Whether applicable to us, our Hosts, and/or our guests, the related consequences arising out of such laws and regulations, including penalties for violations of and costs to maintain compliance with such laws and regulations, have had and could continue to have a material adverse effect on our reputation, business, results of operations, and financial condition.

We take certain measures to comply, and to help Hosts comply, with laws and regulations, such as requiring registration numbers to be displayed on a listing profile for listings in some jurisdictions where such registration is required. These measures, changes to them, and any future measures we adopt could increase friction on our platform, and reduce the number of listings available on our platform from Hosts and bookings by guests, and could reduce the activity of Hosts and guests on our platform. We may be subject to additional laws and regulations which could require significant changes to our platform that discourage Hosts and guests from using our platform. Our newer offerings, such as Airbnb Experiences, are subject to similar or other laws, regulations, and regulatory actions. In particular, if we become more involved in Hosts' listings and conduct related to bookings, then we are more likely to draw scrutiny and additional regulations from governments and undercut various defenses we may have to claims or attempts to regulate us, which further constrain our business and impose additional liability on us as a platform.

In addition to laws and regulations directly applicable to the short-term rental, long-term rental, and home sharing business as discussed in our risk factor titled "— Laws, regulations, and rules that affect the short-term rental, long-term rental, and home sharing business have limited and may continue to limit the ability or willingness of Hosts to share their spaces over our platform and expose our Hosts or us to significant penalties, which could have a material adverse effect on our business, results of operations, and financial condition," we are subject to laws and regulations governing our business practices, the Internet, e-commerce, and electronic devices, including those relating to taxation, data privacy, data security, pricing, content, advertising, discrimination, consumer protection, protection of minors, copyrights,

distribution, messaging, mobile communications, electronic device certification, electronic waste, electronic contracts, communications, Internet access, competition, and unfair commercial practices. We are also subject to laws and regulations governing the provision of online payment services and insurance services, the design and operation of our platform, and the operations, characteristics, and quality of our platform and services. We are also subject to federal, state, local, and foreign laws regulating employment, employee working conditions, including wage and hour laws, employment dispute and employee bargaining processes, collective and representative actions, employment classification, and other employment compliance requirements.

As a result of the COVID-19 pandemic, many jurisdictions have adopted and may continue to adopt or modify laws, rules, regulations, and/or decrees intended to address the COVID-19 pandemic, including implementing travel restrictions, such as vaccination requirements for travel to and/or from certain regions. In addition, many jurisdictions have limited social mobility and gatherings. As the COVID-19 pandemic or related restrictions continue, governments, corporations, and other authorities may continue to implement restrictions or policies that could further restrict the ability of our Hosts and guests to participate on our platform.

There is increased governmental interest in regulating technology companies in areas including platform content, data privacy, data security, intellectual property protection, ethical marketing, tax, data localization and data access, artificial intelligence or algorithm-based bias or discrimination, competition, and real estate broker related activities. In addition, increasing governmental interest in, and public awareness of, the impacts and effects of climate change and greater emphasis on sustainability by federal, state, and international governments could lead to further regulatory efforts to address the carbon impact of housing and travel. In particular, the current regulatory landscape regarding climate change (including disclosure requirements and requirements regarding energy and water use and efficiency), both within the United States and in many other locations where we operate worldwide, is evolving at a pace, and is likely to continue to develop in ways, that require our business to adapt. Many U.S. states, either individually or through multi-state regional initiatives, have begun to address greenhouse gas emissions, including disclosure requirements relating thereto, and some U.S. states have also adopted various environmental, social and governance ("ESG")-related efforts, initiatives and requirements. As a result, governments may enact new laws and regulations and/or view matters or interpret laws and regulations differently than they have in the past, including laws and regulations which are responsive to ESG trends or otherwise seek to reduce the carbon emissions relating to travel and set minimum energy efficiency requirements, which could materially adversely affect our business, results of operations, and financial condition. In particular, stricter regulation in relation to energy and water use and efficiency requirements could lead to a reduced number of listings in affected jurisdictions. The legislative landscape continues to be in a state of constant change as well as legal challenges with respect to these laws and regulations, making it difficult to predict with certainty the ultimate impact they will have on our business in the aggregate. We incur significant expenses and commit significant resources so that our platform can comply with applicable laws and regulations; however, there is no assurance that we will be able to fully implement technical upgrades and other system implementations in a timely manner since implementations often involve building new infrastructure and tools, which contain the inherent risk of unplanned errors and defects, and in certain instances we may be unable to respond to legislation or regulation in a way that fully mitigates any negative impacts our business.

Any new or existing laws and regulations applicable to existing or future business areas, including amendments to or repeal of existing laws and regulations, or new interpretations, applications, or enforcement of existing laws and regulations, could expose us to substantial liability, including significant expenses necessary to comply with such laws and regulations, and materially adversely impact bookings on our platform, thereby materially adversely affecting our business, results of operations, and financial condition. For example, the UK laws and regulations that impact our UK and EU operations, including those relating to payment processing, data privacy and data security, legal protection for platforms, workers' rights, and intellectual property changed or may change following the United Kingdom's departure from the European Union. The Omnibus Directive also introduces stricter penalties for breaches of consumer protection law. This includes an introduction of fines as a mandatory element of penalties in some situations and higher amounts, as well as additional information requirements. The Collective Redress Directive replaced its predecessor in November 2020. This relatively new Directive allows for the recovery of monetary compensation on behalf of large classes of consumers, and greatly extends the scope to new areas, including for example misleading and comparative advertising, data privacy and data security. The European Union is also enhancing the regulation of digital services, and in November 2022, the DSA came into force. The majority of the substantive provisions of the DSA will begin to take effect between 2023 and 2024. The DSA will govern, among other things, potential liability for illegal content on platforms, traceability of traders, and transparency reporting obligations, including information on "monthly active recipients" in the European Union. The DSA may increase compliance costs and require additional resources as well as changes to our processes and operations. In parallel, the Digital Markets Act (the "DMA") came into force in November 2022 and introduces ex ante regulation of certain large online platforms. We do not anticipate being designated a regulated gatekeeper platform for the purposes of the DMA although this could change at some point in the future. Some European jurisdictions (such as Germany) have also introduced new competition rules in relation to digital platforms similar to the DMA at the national level. These laws may contain certain regulatory requirements and/or obligations that could negatively impact the business of companies like ours. Furthermore, some of our Hosts or some of our offerings may now or in the future be subject to the European Package Travel Directive, which imposes various obligations upon package providers and upon marketers of travel packages, such as disclosure obligations to consumers and liability to consumers. Our efforts to influence legislative and regulatory proposals have an uncertain chance of success, could be limited by laws regulating lobbying or advocacy activity in certain jurisdictions, and even if successful, could be expensive and time consuming, and could divert the attention of management from operations.

We are subject to regulatory inquiries, litigation, and other disputes, which have materially adversely affected and could materially adversely affect our business, results of operations, and financial condition.

We have been, and expect to continue to be, a party to various legal and regulatory claims, litigation or pre-litigation disputes, and proceedings arising in the normal course of business. The number and significance of these claims, disputes, and proceedings have increased as our company has grown larger, the number of bookings on our platform has increased, there is increased brand awareness, and the scope and complexity of our business have expanded, and we expect they will continue to increase.

We have been, and expect to continue to be, subject to various government inquiries, investigations, audits, and proceedings related to legal and regulatory requirements such as compliance with laws related to short-term rentals, long-term rentals, and home sharing, tax, escheatment, consumer protection, pricing and currency display, advertising, discrimination, data sharing, payment processing, data

privacy, data security, cancellation policies, and competition. In many cases, these inquiries, investigations, and proceedings can be complex, time consuming, costly to investigate, and require significant company and also management attention. For certain matters, we are implementing recommended changes to our products, operations, and compliance practices, including enabling tax collection, tax reporting, display of Host registration numbers, and removal of noncompliant listings. We are unable to predict the outcomes and implications of such inquiries, investigations, and proceedings on our business, and such inquiries, investigations, and proceedings could result in damages, large fines and penalties, and require changes to our products and operations, and materially adversely affect our brand, reputation, business, results of operations, and financial condition. In some instances, applicable laws and regulations do not yet exist or are being adopted and implemented to address certain aspects of our business, and such adoption or change in their interpretation could further alter or impact our business and subject us to future government inquiries, investigations, and proceedings.

We have been involved in litigation with national governments, trade associations and industry bodies, municipalities, and other government authorities, including as a plaintiff and as a defendant, concerning laws seeking to limit or outlaw short-term and long-term rentals and to impose obligations or liability on us as a platform. In the United States, we have been involved in various lawsuits concerning whether our platform is responsible for alleged wrongful conduct by Hosts who engage in short-term rentals. Claims in such cases have alleged illegal hotel conversions, real estate license requirements, violations of municipal law around short-term occupancy or rentals, unlawful evictions, or violations of lease provisions or homeowners' association rules. Legal claims have been asserted for alleged discriminatory conduct undertaken by Hosts against certain guests, and for our own platform policies or business practices. Changes to the interpretation of the applicability of fair housing, civil rights, or other statutes to our business or the conduct of our users could materially adversely impact our business, results of operations, and financial condition. We may also become more vulnerable to third-party claims as U.S. laws such as the Digital Millennium Copyright Act ("DMCA"), the Stored Communications Act, and the Communications Decency Act ("CDA"), and non-U.S. laws such as the DSA and the European E-Commerce Directive and its national transpositions are interpreted by the courts or otherwise modified or amended, as our platform and services to our Hosts and guests continue to expand, and as we expand geographically into jurisdictions where the underlying laws with respect to the potential liability of online intermediaries such as ourselves are either unclear or less favorable.

In addition, we face claims and litigation relating to fatalities, shootings, other violent acts, illness (including COVID-19), cancellations and refunds, personal injuries, property damage, carbon monoxide incidents, hidden camera incidents, and privacy violations that occurred at listings or experiences during a booking made on our platform. We also have had putative class action litigation and government inquiries, and could face additional litigation and government inquiries and fines relating to our business practices, cancellations, and other consequences due to natural disasters or other unforeseen events beyond our control such as wars, regional hostilities, health concerns, including epidemics and pandemics such as COVID-19, or law enforcement demands, and other regulatory actions.

Notwithstanding the decision of the Court of Justice of the European Union ("CJEU") on December 19, 2019 ruling that Airbnb is a provider of information society services under the E-Commerce Directive, there continue to be new laws and government initiatives within the European Union attempting to regulate Airbnb as a platform. In several cases, national courts are evaluating whether certain local rules imposing obligations on platforms can be enforced against us. For example, we are challenging laws in various European jurisdictions requiring short-term rental platforms to act as withholding tax agent for Host income taxes, to collect and remit tourist taxes, and to disclose user data. Adverse rulings in these national cases are possible and could result in changes to our business practices in significant ways, increased operating and compliance costs, and lead to a loss of revenue for us. In addition, the DSA came into force in November 2022, and amends certain aspects of the E-Commerce Directive to enhance the rules that apply to platforms.

In addition, in the ordinary course of business, disputes may arise because we are alleged to have infringed third parties' intellectual property or in which we agree to provide indemnification to third parties with respect to certain matters, including losses arising from our breach of such agreements or from intellectual property infringement claims, or where we make other contractual commitments to third parties. We also have indemnification agreements with certain of our directors, executive officers, and certain other employees that require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. We may be subject to litigation stemming from these obligations.

We are also subject to unclaimed or abandoned property (escheatment) laws which require us to turn over to government authorities the property of others held by us that has been unclaimed for a period specified by such laws, as well as audits by government authorities regarding our escheatment practices, which may result in additional escheatment of unclaimed property and payment of interest and penalties. The laws governing unclaimed property matters are complex and subject to varying interpretations by companies and government authorities. An unfavorable audit could negatively impact our results of operations and cash flows in future periods.

Adverse results in any regulatory inquiry, litigation, legal proceedings, audit, or claims may include awards of potentially significant monetary damages, including statutory damages for certain causes of action in certain jurisdictions, penalties, fines, compensation orders, injunctive relief, royalty or licensing agreements, or orders preventing us from offering certain services. Moreover, many regulatory inquiries, litigation, legal proceedings, or claims are resolved by settlements that can include both monetary and nonmonetary components. Adverse results or settlements may result in changes in our business practices in significant ways, increased operating and compliance costs, and a loss of revenue. In addition, any litigation or pre-litigation claims against us, whether or not meritorious, are time consuming, require substantial expense, and result in the diversion of significant operational resources. We use various software platforms that in some instances have limited functionality which may impede our ability to fully retrieve records. In addition, our insurance may not cover all potential claims to which we are exposed and may not be adequate to indemnify us for all liability that may be imposed. As we continue to grow, regulatory inquiries, litigation, legal proceedings, and other claims will continue to consume significant company resources and adverse results in future matters could materially adversely affect our business, results of operations, and financial condition.

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If we are unable to manage the risks presented by our business model internationally, our business, results of operations, and financial condition would be materially adversely affected.

We are a global platform with Hosts in more than 220 countries and regions and over 100,000 cities and towns, and a global guest community. As of December 31, 2022, we had offices in 29 cities and had approximately 2,820 employees located internationally. For the year ended December 31, 2022, 54% of our revenue was generated from listings outside of the United States. We expect to continue to make investments to expand our international operations. Managing a global organization is difficult, time consuming, and expensive, and requires significant management attention and careful prioritization, and any international expansion efforts that we may undertake may not be successful. In addition, conducting international operations subjects us to risks, which include:

- operational and compliance challenges caused by distance, language, and cultural differences;
- the cost and resources required to localize our platform and services, which often requires the translation of our platform into foreign languages and adaptation for local practices and regulatory requirements;
- unexpected, more restrictive, differing, and conflicting laws and regulations, including those laws governing Internet activities, short-term and long-term rentals (including those implemented in response to the COVID-19 pandemic), tourism, tenancy, taxes, licensing, payments processing, messaging, marketing activities, registration and/or verification of guests, ownership of intellectual property, content, data collection and privacy, security, data localization, data transfer and government access to personal information, and other activities important to our business;
- uncertainties regarding the interpretation of national and local laws and regulations, uncertainty in the enforceability of legal rights, and uneven application of laws and regulations to businesses, in particular U.S. companies;
- competition with companies that understand local markets better than we do, or that have a local presence and pre-existing relationships with potential Hosts and guests in those markets;
- differing levels of social acceptance of home sharing, our brand, and offerings;
- legal uncertainty regarding our liability for the listings, the services, and content provided by Hosts, guests, and other third parties;
- uncertain resolutions of litigation or regulatory inquiries;
- variations in payment forms for Hosts and guests, increased operational complexity around payments, and inability to offer local payment forms like cash or country specific digital forms of payment;
- lack of familiarity and the burden of complying with a wide variety of U.S. and foreign laws, legal standards, and regulatory requirements, which are complex, sometimes inconsistent, and subject to unexpected changes;
- potentially adverse tax consequences, including resulting from the complexities of foreign corporate income tax systems, value added tax ("VAT") regimes, tax withholding rules, lodging taxes, often known as transient or occupancy taxes, hotel taxes, and other indirect taxes, tax collection or remittance obligations, and restrictions on the repatriation of earnings;
- difficulties in managing and staffing international operations, including due to differences in legal, regulatory, and collective bargaining processes;
- fluctuations in currency exchange rates, and in particular, decreases in the value of foreign currencies relative to the U.S. dollar;
- regulations governing the control of local currencies and impacting the ability to collect and remit funds to Hosts in those currencies or to repatriate cash into the United States;
- oversight by foreign government agencies whose approach to privacy or human rights may be inconsistent with that taken in other countries;
- increased financial accounting and reporting burdens, and complexities and difficulties in implementing and maintaining adequate internal controls in an international operating environment;
- political, social, and economic instability abroad, terrorist attacks, and security concerns in general;
- operating in countries that are more prone to crime or have lower safety standards;
- operating in countries that have higher risk of corruption; and
- reduced or varied protection for our intellectual property rights in some countries.

Increased operating expenses, decreased revenue, negative publicity, negative reaction from our Hosts and guests and other stakeholders, or other adverse impacts from any of the above factors or other risks related to our international operations could materially adversely affect our brand, reputation, business, results of operations, and financial condition.

In addition, we will continue to incur significant expenses to operate our outbound business in China, and we may never achieve profitability in that market. These factors, combined with sentiment of the workforce in China, and China's policy towards foreign direct investment may particularly impact our operations in China. In addition, we need to ensure that our business practices in China are compliant with local laws and regulations, which may be interpreted and enforced in ways that are different from our interpretation, and/or create obligations on us that are costly to meet or conflict with laws in other jurisdictions and which may not be implemented within regulatory timelines.

We are subject to various requirements and requests from government agencies to share information on users who use services in China through our platform. Failure to comply with such requests or other requirements as interpreted by government agencies may lead to impairment or disruption to our business and operations, including failing to obtain or losing the necessary licenses to operate in China, the blocking of our platform and services in China, and/or enforcement action against our community, corporate entities, or officers. Our failure to comply with such requests or requirements, or conversely our compliance with such requests or requirements, could materially adversely affect our brand, reputation, business, results of operations, and financial condition. Further, given that our headquarters is in the United States, any significant or prolonged deterioration in U.S.-China bilateral relations or escalation of geo-political risk in China could adversely affect our outbound business in China.

The Chinese government has adopted laws, regulations, and implementation measures that govern the dissemination of content over the Internet and data processing in China. These impose additional requirements for certain categories of operators, and are continuing to develop and be clarified. At this point, it is uncertain what obligations will apply to us in the future, and we cannot predict what impact these new laws and regulations or the increased costs of compliance, if any, will have on our operations in China. Actions by the U.S. government

could also impair our ability to effectively operate in China, including through the use of Executive Orders or trade blacklists to ban or limit the use of services provided by Chinese third parties.

We conduct our business in China through a variable interest entity ("VIE") and a wholly-foreign owned entity. We do not own shares in our VIE and instead rely on contractual arrangements with the equity holders of our VIE to operate our business in China because foreign investment is restricted or prohibited. Under our contractual arrangements, we must rely on the VIE and the VIE equity holders to perform their obligations in order to exercise our control over the VIE. The VIE equity holders may have conflicts of interest with us or our stockholders, and they may not act in our best interests or may not perform their obligations under these contracts. If our VIE or its equity holders fail to perform their respective obligations under the contractual arrangements, we may not be able to enforce our rights. In addition, if the Chinese government deems that the contractual arrangements in relation to our VIE do not comply with Chinese governmental restrictions on foreign investment, or if these regulations or their interpretation changes in the future, we could be subject to penalties, be forced to cease our operations in China, or be subject to restrictions in the future, and we may incur additional compliance costs. The contractual arrangements with our VIE may also be subject to scrutiny by the Chinese tax authorities and any adjustment of related party transaction pricing could lead to additional taxes.

We could face liability for information or content on or accessible through our platform.

We could face claims relating to information or content that is made available on our platform. Our platform relies upon content that is created and posted by Hosts, guests, or other third parties. Although content on our platform is typically generated by third parties, and not by us, claims of defamation, disparagement, negligence, warranty, personal harm, intellectual property infringement, or other alleged damages could be asserted against us, in addition to our Hosts and guests. While we rely on a variety of statutory and common-law frameworks and defenses, including those provided by the DMCA, the CDA, the fair-use doctrine and various tort law defenses in the United States and the E-Commerce Directive in the European Union and other regulations, differences between statutes, limitations on immunity or responsibility, requirements to maintain immunity or proportionate responsibility, and moderation efforts in the many jurisdictions in which we operate may affect our ability to rely on these frameworks and defenses, or create uncertainty regarding liability for information or content uploaded by Hosts and guests or otherwise contributed by third-parties to our platform.

Moreover, regulators in the United States and in other countries may introduce new regulatory regimes that increase potential liability for information or content available on our platform. For example, in the United States, laws such as the CDA, which have previously been interpreted to provide substantial protection to interactive computer service providers, may change and become less predictable or unfavorable by legislative action or juridical interpretation. Additionally, there have been various federal legislative efforts to restrict the scope of the protections available to online platforms under the CDA, and current protections from liability for third-party content in the United States could decrease or change. There is proposed U.S. federal legislation seeking to hold platforms liable for user-generated content, including content related to short-term or long-term rentals. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages.

The European Union is also reviewing the regulation of digital services. In November 2022, the DSA came into force. The majority of the substantive provisions of the DSA will begin to take effect between 2023 and 2024. The DSA will govern, among other things, potential liability for illegal content on platforms, traceability of traders, and transparency reporting obligations. Some European jurisdictions have also proposed or intend to pass legislation that imposes new obligations and liabilities on platforms with respect to certain types of harmful content.

While the scope and timing of these proposals are currently evolving, if enacted and applied to our platform, the new rules may adversely affect our business. In countries in Asia and Latin America, generally there are not similar statutes as the CDA or E-Commerce Directive. The laws of countries in Asia and Latin America generally provide for direct liability if a platform is involved in creating such content or has actual knowledge of the content without taking action to take it down. Further, laws in some Asian countries also provide for primary or secondary liability, which can include criminal liability, if a platform failed to take sufficient steps to prevent such content from being uploaded. Because liability often flows from information or content on our platform and/or services accessed through our platform, as we continue to expand our offerings, tiers, and scope of business, both in terms of the range of offerings and services and geographical operations, we may face or become subject to additional or different laws and regulations. Our potential liability for information or content created by third parties and posted to our platform could require us to implement additional measures to reduce our exposure to such liability, may require us to expend significant resources, may limit the desirability of our platform to Hosts and guests, may cause damage to our brand or reputation, and may cause us to incur time and costs defending such claims in litigation, thereby materially adversely affecting our business, results of operations, and financial condition.

In the European Union, the Consumer Rights Directive and the Unfair Commercial Practices Directive harmonized consumer rights across the EU member states. In 2018, the European Commission and a group of European consumer protection authorities (through the Consumer Protection Cooperation Network) investigated our customer terms and price display practices, which required us to make certain changes to our terms and price display practices. If Consumer Protection Regulators find that we are in breach of consumer protection laws, we may be fined or required to change our terms and processes, which may result in increased operational costs. Consumers and certain Consumer Protection Associations may also bring individual claims against us if they believe that our terms and/or business practices are not in compliance with local consumer protection laws. Currently, class actions may also be brought in certain countries in the European Union, and the Collective Redress Directive extends the right to collective redress across the European Union.

Maintaining and enhancing our brand and reputation is critical to our growth, and negative publicity could damage our brand and thereby harm our ability to compete effectively, and could materially adversely affect our business, results of operations, and financial condition.

Our brand and our reputation are among our most important assets. Maintaining and enhancing our brand and reputation is critical to our ability to attract Hosts, guests, and employees, to compete effectively, to preserve and deepen the engagement of our existing Hosts,

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guests, and employees, to maintain and improve our standing in the communities where our Hosts operate, including our standing with community leaders and regulatory bodies, and to mitigate legislative or regulatory scrutiny, litigation, and government investigations. We are heavily dependent on the perceptions of Hosts and guests who use our platform to help make word-of-mouth recommendations that contribute to our growth.

Any incident, whether actual or rumored to have occurred, involving the safety or security of listings, Hosts, guests, or other members of the public, fraudulent transactions, or incidents that are mistakenly attributed to Airbnb, and any media coverage resulting therefrom, could create a negative public perception of our platform, which would adversely impact our ability to attract Hosts and guests. In addition, when Hosts cancel reservations or if we fail to provide timely refunds to guests in connection with cancellations, guest perception of the value of our platform is adversely impacted and may cause guests to not use our platform in the future. The impact of these issues may be more pronounced if we are seen to have failed to provide prompt and appropriate community support or our platform policies are perceived to be too permissive, too restrictive, or providing Hosts and/or guests with unsatisfactory resolutions. We have been the subject of media reports, social media posts, blogs, and other forums that contain allegations about our business or activity on our platform that create negative publicity. As a result of these complaints and negative publicity, some Hosts have refrained from, and may in the future refrain from, listing with us, and some guests have refrained from, and may in the future refrain from, using our platform, which could materially adversely affect our business, results of operations, and financial condition.

In addition, our brand and reputation could be harmed if we fail to act responsibly or are perceived as not acting responsibly, or fail to comply with regulatory requirements as interpreted by certain governments or agencies thereof, in a number of other areas, such as safety and security, data security, privacy practices, provision of information about users and activities on our platform, sustainability, human rights (including in respect of our own operations and throughout our supply chain), matters associated with our broader supply chain (including Hosts, guests, and other business partners), sustainability issues associated with human travel and migration, increased energy and water consumption, diversity, non-discrimination, and support for employees and local communities. Media, legislative, or government scrutiny around our company, including the perceived impact on affordable housing and over-tourism, neighborhood nuisance, privacy practices, provision of information as requested by certain governments or agencies thereof, content on our platform, business practices and strategic plans, impact of travel on the climate and local environment, and public health policies that may cause geopolitical backlash, our business partners, private companies where we have minority investments, and our practices relating to our platform, offerings, employees, competition, litigation, and response to regulatory activity, could adversely affect our brand and our reputation with our Hosts, guests, and communities. Social media compounds the potential scope of the negative publicity that could be generated and the speed with which such negative publicity may spread. Any resulting damage to our brand or reputation could materially adversely affect our business, results of operations, and financial condition.

In addition, we rely on our Hosts and guests to provide trustworthy reviews and ratings that our Hosts or guests may rely upon to help decide whether or not to book a particular listing or accept a particular booking and that we use to enforce quality standards. We rely on these reviews to further strengthen trust among members of our community. Our Hosts and guests may be less likely to rely on reviews and ratings if they believe that our review system does not generate trustworthy reviews and ratings. We have procedures in place to combat fraud or abuse of our review system, but we cannot guarantee that these procedures are or will be effective. In addition, if our Hosts and guests do not leave reliable reviews and ratings, other potential Hosts or guests may disregard those reviews and ratings, and our systems that use reviews and ratings to enforce quality standards would be less effective, which could reduce trust within our community and damage our brand and reputation, and could materially adversely affect our business, results of operations, and financial condition.

Host, guest, or third-party actions that are criminal, violent, inappropriate, or dangerous, or fraudulent activity, may undermine the safety or the perception of safety of our platform and our ability to attract and retain Hosts and guests and materially adversely affect our reputation, business, results of operations, and financial condition.

We have no control over or ability to predict the actions of our users and other third parties, such as neighbors or invitees, either during the guest's stay, experience, or otherwise, and therefore, we cannot guarantee the safety of our Hosts, guests, and third parties. The actions of Hosts, guests, and other third parties have resulted and can further result in fatalities, injuries, other bodily harm, fraud, invasion of privacy, property damage, discrimination, brand, and reputational damage, which have created and could continue to create potential legal or other substantial liabilities for us. We do not verify the identity of all of our Hosts and guests nor do we verify or screen third parties who may be present during a reservation made through our platform. Our identity verification processes rely on, among other things, information provided by Hosts and guests, and our ability to validate that information and the effectiveness of third-party service providers that support our verification processes may be limited. In addition, we do not currently and may not in the future require users to re-verify their identity following their successful completion of the initial verification process. Certain verification processes, including legacy verification processes on which we previously relied, may be less reliable than others. We screen against certain regulatory, terrorist, and sanctions watch lists, conduct criminal background checks for certain U.S. Hosts, U.S. guests, and Hosts in India, and conduct additional screening processes to flag and investigate suspicious activities. These processes are beneficial but not exhaustive and have limitations due to a variety of factors, including laws and regulations that prohibit or limit our ability to conduct effective background checks in some jurisdictions, the unavailability and inaccuracy of information, and the inability of our systems to detect all suspicious activity. There can be no assurances that these measures will significantly reduce criminal or fraudulent activity on our platform. The criminal background checks for certain U.S. Hosts, U.S. guests, and Hosts in India, and other screening processes rely on, among other things, information provided by Hosts and guests, our ability to validate that information, the accuracy, completeness, and availability of the underlying information relating to criminal records, the digitization of certain records, the evolving regulatory landscape in this area such as in the data privacy and data security space, and on the effectiveness of third-party service providers that may fail to conduct such background checks adequately or disclose information that could be relevant to a determination of eligibility, and we do not run criminal background checks and other screening processes on third parties who may be present during a reservation made through our platform.

In addition, we have not in the past and may not in the future undertake to independently verify the safety, suitability, location, quality, compliance with Airbnb policies or standards, and legal compliance, such as fire code compliance or the presence of carbon monoxide detectors, hidden cameras or pool safety, of all our Hosts' listings or experiences. We have not in the past and may not in the future

undertake to independently verify the location, safety, or suitability of experiences for individual guests, the suitability, qualifications, or credentials of experiences Hosts, or the qualifications of individual experiences guests. In the limited circumstances where we have undertaken the verification or screening of certain aspects of Host qualifications, listings or experiences, the scope of such processes may be limited and rely on, among other things, information provided by Hosts and guests and the ability of our internal teams or third-party vendors to adequately conduct such verification or screening practices. In addition, we have not in the past taken and may not in the future take steps to re-verify or re-screen Host qualifications, listings, or experiences following initial review. We have in the past relied, and may in the future, rely on Hosts and guests to disclose information relating to their listings and experiences and such information may be inaccurate or incomplete. We have created policies and standards to respond to issues reported with listings, but certain listings may pose heightened safety risks to individual users because those issues have not been reported to us or because our customer support team has not taken the requisite action based on our policies. We rely, at least in part, on reports of issues from Hosts and guests to investigate and enforce many of our policies and standards. In addition, our policies may not contemplate certain safety risks posed by listings or individual Hosts or guests or may not sufficiently address those risks.

We have also faced civil litigation, regulatory investigations, and inquiries involving allegations of, among other things, unsafe or unsuitable listings, discriminatory policies, data processing, practices, or behavior on and off our platform or by Hosts, guests, and third parties, general misrepresentations regarding the safety or accuracy of offerings on our platform, and other Host, guest, or third-party actions that are criminal, violent, inappropriate, dangerous, or fraudulent. While we recognize that we need to continue to build trust and invest in innovations that will support trust when it comes to our policies, tools, and procedures to help protect Hosts, guests, and the communities in which our Hosts operate, we may not be successful in doing so. Similarly, listings that are inaccurate, of a lower than expected quality, or that do not comply with our policies may harm guests and public perception of the quality and safety of listings on our platform and materially adversely affect our reputation, business, results of operations, and financial condition.

If Hosts, guests, or third parties engage in criminal activity, misconduct, fraudulent, negligent, or inappropriate conduct or use our platform as a conduit for criminal activity, consumers may not consider our platform and the listings on our platform safe, and we may receive negative media coverage, or be subject to involvement in a government investigation concerning such activity, which could adversely impact our brand and reputation, and lower the adoption rate of our platform. For example:

- there have been shootings, fatalities, and other criminal or violent acts on properties booked on our platform, including as a result of unsanctioned house parties;
- there have been incidents of sexual violence against Hosts, guests, and third parties, and we have seen higher incident rates of such conduct associated with private room and shared space listings;
- there have been undisclosed and hidden cameras at properties; and
- there have been incidents of Hosts and guests engaging in criminal, fraudulent, or unsafe behavior and other misconduct while using our platform.

The methods used by perpetrators of fraud and other misconduct are complex and constantly evolving, and our trust and security measures have been, and may currently or in the future be, insufficient to detect and help prevent all fraudulent activity and other misconduct; for example:

- there have been incidents where Hosts have misrepresented the quality and location or existence of their properties, in some instances to send guests to different and inferior properties;
- there have been incidents where guests have caused substantial property damage to listings or misrepresented the purpose of their stay and used listings for unauthorized or inappropriate conduct including parties, sex work, drug-related activities, or to perpetrate criminal activities;
- there have been instances where users with connected or duplicate accounts have circumvented or manipulated our systems, in an effort to evade account restrictions, create false reviews, or engage in fraud or other misconduct;
- there have been incidents where fraudsters have created fake guest accounts, fake Host accounts, or both, to perpetrate financial fraud; and
- situations have occurred where Hosts or guests mistakenly or unintentionally provide malicious third parties access to their accounts, which has allowed those third parties to take advantage of our Hosts and guests.

In addition, certain regions where we operate have higher rates of violent crime or varying safety requirements, which can lead to more safety and security incidents, and may adversely impact the adoption of our platform in those regions and elsewhere.

If criminal, inappropriate, fraudulent, or other negative incidents continue to occur due to the conduct of Hosts, guests, or third parties, our ability to attract and retain Hosts and guests would be harmed, and our business, results of operations, and financial condition would be materially adversely affected. Such incidents have prompted, and may in the future prompt, stricter home sharing regulations or regulatory inquiries into our platform policies and business practices. In the United States and other countries, we have seen listings being used for parties in violation of Airbnb's policies which have in some cases resulted in neighborhood disruption or violence. Further, claims have been asserted against us from our Hosts, guests, and third parties for compensation due to fatalities, accidents, injuries, assaults, theft, property damage, data privacy and data security issues, fraudulent listings, and other incidents that are caused by other Hosts, guests, or third parties while using our platform. These claims subject us to potentially significant liability and increase our operating costs and could materially adversely affect our business, results of operations, and financial condition. We have obtained some third-party insurance, which is subject to certain conditions and exclusions, for claims and losses incurred based on incidents related to bookings on our platform. Our third-party insurance, which may or may not be applicable to all claims, may be inadequate to fully cover alleged claims of liability, investigation costs, defense costs, and/or payouts. Even if these claims do not result in liability, we could incur significant time and cost investigating and defending against them. As we expand our offerings and tiers, or if the quantity or severity of incidents increases, our insurance rates and our financial exposure will grow, which would materially adversely affect our business, results of operations, and financial condition.

Measures that we are taking to improve the trust and safety of our platform may cause us to incur significant expenditures and may not be successful.

We have taken and continue to take measures to improve the trust and safety on our platform, combat fraudulent activities and other misconduct and improve community trust, such as requiring identity and other information from Hosts and guests, attempting to confirm the location of listings, removing suspected fraudulent listings or listings repeatedly reported by guests to be significantly not as described, and removing Hosts and guests who fail to comply with our policies. These measures are long-term investments in our business and the trust and safety of our community. However, some of these measures increase friction on our platform by increasing the number of steps required to list or book, which reduces Host and guest activity on our platform, and could materially adversely affect our business. Implementing the trust and safety initiatives we have announced, which include limited verification of Hosts and listings, restrictions on "party" houses, restrictions on certain types of bookings, and our neighbor hotline, or other initiatives, has caused and will continue to cause us to incur significant ongoing expenses and may result in fewer listings and bookings or reduced Host and guest retention, which could also materially adversely affect our business. As we operate a global platform, the timing and implementation of these measures will vary across geographies and may be restricted by local law requirements. We have invested and plan to continue to invest significantly in the trust and safety of our platform, but there can be no assurances that these measures will be successful, significantly reduce criminal or fraudulent activity on or off our platform, or be sufficient to protect our reputation in the event of such activity.

Furthermore, we have established community standards, but those standards may not always be effectively enforced, communicated to, or consistently understood by all parts of our community. For example, while we require and communicate to Hosts and guests to make certain commitments with respect to diversity and belonging when they join Airbnb, these standards and requirements are not always well understood by all parts of our community. As a result, Hosts and guests may be surprised or disappointed when their expectations are not met.

Growing focus on evolving environmental, social, and governance issues ("ESG") by shareholders, customers, regulators, politicians, employees, and other stakeholders may impose additional risks and costs on our business.

ESG matters have become an area of growing and evolving focus among our shareholders and other stakeholders, including among customers, employees, regulators, politicians, and the general public in the United States and abroad. In particular, companies, including Airbnb, face heightened expectations with respect to their practices, disclosures, and performance in relation to climate change, diversity, equity and inclusion, human rights, energy and water consumption, human capital management, data privacy and security, and supply chains (including human rights issues), among other topics.

We are committed to maintaining strong relationships with all of our key stakeholders, including our Hosts, guests, the communities within which we operate in, employees, and shareholders and we have taken and continue to take steps to serve each of our stakeholder groups. We also endeavor to maintain productive relationships with regulators and other constituencies with whom we engage. Notwithstanding our commitments to stakeholders and intentions with respect to other constituencies, if we fail to meet evolving investor, regulator, and other stakeholder expectations on ESG matters, if we are perceived not to have responded appropriately or in a timely manner to ESG issues that are material, or perceived to be material, to our business (including failing to pursue or achieve our stated goals, targets and objectives within the timelines we announce, failing to satisfy reporting and disclosure expectations or requirements, or if there are real or perceived inaccuracies in the data and information we report), if we fail to accurately report ESG-related data, or if we fail to fully understand, reflect, disclose, mitigate or manage risks associated with environmental or social matters, we may experience harm to our brand and reputation, adverse press coverage, a reduction in our attractiveness as an investment, greater regulatory scrutiny and potential legal claims, greater difficulties in attracting and retaining customers and talent, increased costs associated with our legal compliance, insurance, or access to capital, and as a consequence, our business, results of operations, financial condition, and/or stock price could be materially adversely affected. We also expect to incur additional costs and require additional resources to monitor, report, and comply with our various ESG commitments and reporting obligations.

We rely on traffic to our platform to grow revenue, and if we are unable to drive traffic cost-effectively, it would materially adversely affect our business, results of operations, and financial condition.

We believe that maintaining and strengthening our brand is an important aspect of our efforts to attract and retain Hosts and guests. In particular, we rely on marketing to drive guest traffic to our platform. We have invested considerable resources into establishing and maintaining our brand. As a result of the COVID-19 pandemic, we realigned our organizational priorities to further increase our focus on individual Hosts and brand marketing, while reducing performance marketing.

Our brand marketing efforts include a variety of online and offline marketing distribution channels. Our brand marketing efforts are expensive and may not be cost-effective or successful. If our competitors spend increasingly more on brand marketing efforts, we may not be able to maintain and grow traffic to our platform.

We have used performance marketing products offered by search engines and social media platforms to distribute paid advertisements that drive traffic to our platform. The remainder of our traffic comes through direct or unpaid channels, which include brand marketing and search engine optimization ("SEO"). A critical factor in attracting Hosts and guests to our platform is how prominently listings are displayed in response to search queries for key search terms. The success of home sharing and our brand has led to increased costs for relevant keywords as our competitors competitively bid on our keywords, including our brand name. Our strategy is to increase brand marketing and use the strength of our brand to attract more guests via direct or unpaid channels. However, we may not be successful at our efforts to drive traffic growth cost-effectively. If we are not able to effectively increase our traffic growth without increases in spend on performance marketing, we may need to increase our performance marketing spend in the future, including in response to increased spend on performance marketing from our competitors, and our business, results of operations, and financial condition could be materially adversely affected.

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The technology that powers much of our performance marketing is increasingly subject to strict regulation, and regulatory or legislative changes could adversely impact the effectiveness of our performance marketing efforts and, as a result, our business. For example, we rely on the placement and use of “cookies” — text files stored on a Host or guest’s web browser or device — and related and similar technologies to support tailored marketing to consumers. Many countries have adopted, or are in the process of adopting, regulations governing the use of cookies and similar technologies, and individuals may be required to “opt-in” to the placement of cookies used for purposes of marketing. For example, we are subject to evolving EU and UK privacy laws on cookies, tracking technologies, and e-marketing. In the European Union and United Kingdom under national laws derived from the ePrivacy Directive, informed consent is often required for the placement of a cookie or similar technology on a user’s device and for direct electronic marketing. The GDPR also imposes conditions on obtaining valid consent, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology. The GDPR and similar laws also strictly regulate our use of personal data for marketing purposes. Additional legislation in this space is anticipated, which may increase the burden on our business and fines for non-compliance. While the text of the ePrivacy Regulation is still under development, recent European court and regulatory decisions as well as guidance are driving increased attention to cookies and tracking technologies, in particular in the online behavioral advertising ecosystem. We are seeing increased proactive enforcement activity in this area by European data regulators coupled with investigations flowing from complaints made by privacy activist groups. In the United States, several states have enacted laws that regulate the use of consumers’ personal information for marketing purposes. In California, the California Consumer Privacy Act (as amended by the California Privacy Rights and Enforcement Act of 2020) (“CCPA”) gives consumers the right to opt out of the “sale” or “sharing” of their personal information, where sharing is specifically tied to sharing of personal information for cross-context behavioral advertising. With respect to the sale or sharing of personal information, the California Attorney General recently signaled an intent to aggressively enforce the CCPA’s requirements on consumer opt-outs of the sale of personal information. Additionally, laws going into effect in 2023 in Virginia, Colorado, Connecticut, and Utah give consumers the right to opt out of “targeted advertising.”

If the trend continues of increasing regulation and enforcement by regulators of the technology we use for marketing, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs, and subject us to additional liabilities. We could also face negative publicity or reputation damage as a result of regulatory action or from being named in complaints or enforcement actions about our practices. Widespread adoption of regulations that significantly restrict our ability to use performance marketing technology could adversely affect our ability to market effectively to current and prospective Hosts and guests, and thus materially adversely affect our business, results of operations, and financial condition. Additionally, some providers of consumer devices and web browsers have implemented means to make it easier for consumers to prevent the placement of cookies, to block other tracking technologies or to require new permissions from consumers for certain activities, which could, if widely adopted, significantly reduce the effectiveness of our marketing efforts.

We focus on unpaid channels such as SEO. SEO involves developing our platform in a way that enables a search engine to rank our platform prominently for search queries for which our platform’s content may be relevant. Changes to search engine algorithms or similar actions are not within our control, and could adversely affect our search-engine rankings and traffic to our platform. We believe that our SEO results have been adversely affected by the launch of Google Travel and Google Vacation Rental Ads, which reduce the prominence of our platform in organic search results for travel-related terms and placement on Google. To the extent that our brand and platform are listed less prominently or fail to appear in search results for any reason, we would need to increase our paid marketing spend which would increase our overall customer acquisition costs and materially adversely affect our business, results of operations, and financial condition. If Google or Apple uses its own mobile operating systems or app distribution channels to favor its own or other preferred travel service offerings, or impose policies that effectively disallow us to continue our full product offerings in those channels, there could be an adverse effect on our ability to engage with Hosts and guests who access our platform via mobile apps or search.

Moreover, as guests increase their booking activity across multiple travel sites or compare offerings across sites, our marketing efficiency and effectiveness is adversely impacted, which could cause us to increase our sales and marketing expenditures in the future, which may not be offset by additional revenue, and could materially adversely affect our business, results of operations, and financial condition. In addition, any negative publicity or public complaints, including those that impede our ability to maintain positive brand awareness through our marketing and consumer communications efforts, could harm our reputation and lead to fewer Hosts and guests using our platform, and attempts to replace this traffic through other channels will require us to increase our sales and marketing expenditures.

Our indebtedness could materially adversely affect our financial condition. Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could materially adversely affect our business, results of operations, and financial condition, and impair our ability to satisfy our obligations under our indebtedness.

In March 2021, we issued \$2.0 billion aggregate principal amount of 0% convertible senior notes due 2026 (the “2026 Notes”). In addition, on October 31, 2022, we entered into a five-year unsecured revolving credit facility with \$1.0 billion of initial commitments from a group of lenders (“2022 Credit Facility”). As of December 31, 2022, there were no borrowings outstanding under the 2022 Credit Facility, and we had total outstanding letters of credit of \$28.5 million under the 2022 Credit Facility. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing stockholders as a result of issuing shares of our Class A common stock upon conversion of the 2026 Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

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The occurrence of any one of these events could have a material adverse effect on our business, results of operations, and financial condition, and ability to satisfy our obligations under our indebtedness.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the 2026 Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the 2026 Notes, and our cash needs may increase in the future.

In addition, our existing credit agreement for our 2022 Credit Facility contains, and any future indebtedness that we may incur may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. The covenants in the agreement governing our 2022 Credit Facility (the "Credit Agreement"), among other things, limit our and our subsidiaries' abilities to:

- incur additional indebtedness at subsidiaries that are not guarantors of the 2022 Credit Facility;
- create or incur additional liens;
- partake in sale/leaseback transactions;
- engage in certain fundamental changes, including mergers or consolidations; and
- enter into negative pledge clauses and clauses restricting subsidiary distributions.

In addition, we are subject to a leverage ratio and fixed charge coverage ratio covenants.

If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

We may be unable to raise the funds necessary to repurchase the 2026 Notes for cash following a fundamental change, or to pay any cash amounts due upon conversion, and our future indebtedness may limit our ability to repurchase the 2026 Notes or pay cash upon their conversion.

Holders of the 2026 Notes may, subject to limited exceptions, require us to repurchase their 2026 Notes following a fundamental change (as defined in the indenture governing the 2026 Notes) at a cash repurchase price generally equal to the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid special interest or additional interest, if any. In addition, upon conversion, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our Class A common stock. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the 2026 Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our future indebtedness may restrict our ability to repurchase the 2026 Notes or pay the cash amounts due upon conversion, if any. Our failure to repurchase the 2026 Notes or to pay the cash amounts due upon conversion when required will constitute a default under the indenture governing the 2026 Notes. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. If the repayment of such other indebtedness were to be accelerated after any applicable notice or grace periods, then we may not have sufficient funds to repay that indebtedness and repurchase the 2026 Notes or make cash payments upon their conversion, if any.

The accounting method for the 2026 Notes could adversely affect our reported financial condition and results.

The accounting method for reflecting the 2026 Notes on our balance sheet and reflecting the underlying shares of our Class A common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition.

We recorded the 2026 Notes entirely as a liability on our balance sheet, net of issuance costs. Additionally, the new guidance modifies the treatment of convertible debt securities that may be settled in cash or shares by requiring the use of the "if-converted" method. Under that method, diluted earnings per share would generally be calculated assuming that all the 2026 Notes were converted solely into shares of Class A common stock at the beginning of the reporting period, unless the result would be anti-dilutive. In addition, in the future, we may, in our sole discretion, irrevocably elect to settle the conversion value of the 2026 Notes in cash up to the principal amount being converted. Following such an irrevocable election, if the conversion value of the 2026 Notes exceeds their principal amount for a reporting period, then we will calculate our diluted earnings per share by assuming that all of the 2026 Notes were converted at the beginning of the reporting period and that we issued shares of our Class A common stock to settle the excess, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share.

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

The capped call transactions entered into in connection with the pricing of the 2026 Notes may affect the value of our Class A common stock.

In connection with the pricing of the 2026 Notes, we entered into privately negotiated capped call transactions with certain option counterparties. The capped call transactions will cover, subject to customary adjustments, the number of shares of Class A common stock initially underlying the 2026 Notes. The capped call transactions are expected generally to reduce potential dilution to our Class A common stock upon conversion of the 2026 Notes or at our election (subject to certain conditions) offset any cash payments we are required to

make in excess of the aggregate principal amount of converted 2026 Notes, as the case may be, with such reduction or offset subject to a cap.

We have been advised that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates purchased shares of our Class A common stock and/or entered into various derivative transactions with respect to our Class A common stock concurrently with or shortly after the pricing of the 2026 Notes.

In addition, we have been advised that the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our Class A common stock and/or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions following the pricing of the 2026 Notes and prior to the maturity of the 2026 Notes (and are likely to do so on each exercise date of the capped call transactions and in connection with any early termination event in respect of the capped call transactions). This activity could also cause or avoid an increase or a decrease in the market price of our Class A common stock.

Provisions in the indenture governing the 2026 Notes could delay or prevent an otherwise beneficial takeover of us.

Certain provisions in the 2026 Notes and the indenture governing the 2026 Notes could make a third-party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change (as defined in the indenture governing the 2026 Notes), then noteholders will have the right to require us to repurchase their 2026 Notes for cash. In addition, if a takeover constitutes a make-whole fundamental change (as defined in the indenture governing the 2026 Notes), then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the 2026 Notes and the indenture governing the 2026 Notes could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that noteholders or holders of our common stock may view as favorable.

We track certain operational metrics, which are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and materially adversely affect our stock price, business, results of operations, and financial condition.

We track certain operational metrics, including metrics such as Nights and Experiences Booked, GBV, average daily rates ("ADR"), active listings, active bookers, Hosts, and guest arrivals, which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools are subject to a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platform is used across large populations globally.

Our Nights and Experiences Booked and GBV metrics are adjusted for cancellations and alterations that happen in the reporting period. However, cancellations and alterations for bookings made in the reporting period can occur beyond the current reporting period. This results in a reported amount of Nights and Experiences Booked and GBV in the quarter of the booking for which all of the bookings may ultimately not result in check-ins, and subsequently reduces our Nights and Experiences Booked and GBV metrics in subsequent quarters when we experience cancellations. Cancellations and alterations to previously booked trips increased dramatically after the COVID-19 outbreak, as guests were either unable to travel or uncomfortable traveling. If we experience high levels of cancellations in the future, our performance and related business metrics will be materially adversely affected.

The calculation of Nights and Experiences Booked, GBV, and active listings requires the ongoing collection of data on new offerings that are added to our platform over time. Our business is complex, and the methodology used to calculate Nights and Experiences Booked, GBV, and active listings may require future adjustments to accurately represent the full value of new offerings.

An active booker is a unique guest who has booked a stay or experience in a given time period. Certain individuals may have more than one guest account and therefore may be counted more than once in our count of active bookers. We count the number of Hosts on our platform based on the number of Hosts with an available listing as of a certain date. Some individuals may have more than one Host account and therefore may be counted more than once as Hosts.

Our metrics, including our reported Nights and Experiences Booked, GBV, and active listings, may include fraudulent bookings, accounts, and other activities that have not been flagged by our trust and safety teams or identified by our machine learning algorithms or not yet addressed by our operational teams, which could mean these activities on our site are not identified or addressed in a timely manner or at all, reducing the accuracy of our metrics. Further, any such fraudulent activity, along with associated refunds and cancellations, would reduce our metrics, in particular Nights and Experiences Booked, GBV, and active listings, in the quarter in which it is discovered. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operational metrics are not accurate representations of our business, or if investors do not perceive these metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, our stock price could decline, we may be subject to stockholder litigation, and our business, results of operations, and financial condition could be materially adversely affected.

Our efforts to create new offerings and initiatives are costly, and if we are unable to successfully pursue such offerings and initiatives, we may fail to grow, and our business, results of operations, and financial condition would be materially adversely affected.

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We need to continue to invest in the development of new offerings and initiatives that differentiate us from our competitors, such as Airbnb Experiences. Developing and delivering these new offerings and initiatives increase our expenses and our organizational complexity, and we may experience difficulties in developing and implementing these new offerings and initiatives.

Our new offerings and initiatives have a high degree of risk, as they may involve unproven businesses with which we have limited or no prior development or operating experience. There can be no assurance that consumer demand for such offerings and initiatives will exist or be sustained at the levels that we anticipate, that we will be able to successfully manage the development and delivery of such offerings and initiatives, or that any of these offerings or initiatives will gain sufficient market acceptance to generate sufficient revenue to offset associated expenses or liabilities. It is also possible that offerings developed by others will render our offerings and initiatives noncompetitive or obsolete. Further, these efforts entail investments in our systems and infrastructure, payments platform, and increased legal and regulatory compliance expenses, could distract management from current operations, and will divert capital and other resources from our more established offerings and geographies. Even if we are successful in developing new offerings and initiatives, regulatory authorities may subject us or our Hosts and guests to new rules, taxes, or restrictions or more aggressively enforce existing rules, taxes, or restrictions, that could increase our expenses or prevent us from successfully commercializing these initiatives. If we do not realize the expected benefits of our investments, we may fail to grow and our business, results of operations, and financial condition would be materially adversely affected.

If we fail to comply with federal, state, and foreign laws relating to data privacy and data security, we may face potentially significant liability, negative publicity, an erosion of trust, and increased regulation and could materially adversely affect our business, results of operations, and financial condition.

Data privacy and data security laws, rules, and regulations are complex, and their interpretation is rapidly evolving, making implementation and enforcement, and thus compliance requirements, ambiguous, uncertain, and potentially inconsistent. Compliance with such laws may require changes to our data collection, use, transfer, disclosure, other processing, and certain other related business practices and may thereby increase compliance costs or have other material adverse effects on our business. As part of Host and guest registration and business processes, we collect and use personal data, such as names, dates of birth, email addresses, phone numbers, and identity verification information (for example, government issued identification or passport), as well as credit card or other financial information that Hosts and guests provide to us. The laws of many states and countries require businesses that maintain such personal data to implement reasonable measures to keep such information secure and otherwise restrict the ways in which such information can be collected and used.

For example, the GDPR, which became effective on May 25, 2018, has resulted and will continue to result in significantly greater compliance burdens and costs for companies like ours. The GDPR regulates our collection, control, processing, sharing, disclosure, and other use of data that can directly or indirectly identify a living individual ("personal data"), and imposes stringent data protection requirements with significant penalties, and the risk of civil litigation, for noncompliance.

Failure to comply with the GDPR may result in fines of up to 20 million Euros or up to 4% of the annual global revenue of the infringer, whichever is greater. It may also lead to civil litigation, with the risks of damages or injunctive relief, or regulatory orders adversely impacting the ways in which our business can use personal data. Many large geographies in which we operate, including Australia, Brazil, Canada, China, and India, have passed or are in the process of passing comparable or other robust data privacy and security legislation or regulation, which may lead to additional costs and increase our overall risk exposure.

In addition, from January 1, 2021 (when the transitional period following Brexit expired), we are also subject to the GDPR, which, together with the amended UK Data Protection Act of 2018, retains the GDPR in UK national law. Both regimes have the ability to fine up to the greater of 20 million Euros (17 million British Pounds) or 4% of global turnover, respectively. The UK framework may in the future start to diverge from the EU framework, and these changes may lead to additional costs and increase our overall risk exposure.

Additionally, we are subject to laws, rules, and regulations regarding cross-border transfers of personal data, including laws relating to transfer of personal data outside the European Economic Area ("EEA"). Recent legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the EEA and United Kingdom to the United States and other jurisdictions. On July 16, 2020, the CJEU invalidated the EU-US Privacy Shield Framework ("Privacy Shield") under which personal data could be transferred from the EEA to US entities that had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism, and potential alternative to the Privacy Shield), it noted that reliance on them alone may not necessarily be sufficient in all circumstances; this has created uncertainty and increased the risk around our international operations. Following the CJEU's ruling, there has been increased regulatory action in this area and several decisions by EU Data Protection Authorities that transfer to the United States, including transfer to well-known U.S. service providers, are unlawful. As the enforcement landscape further develops, and supervisory authorities issue further decisions and guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used or if our use of certain products and vendors is the subject of investigation, we could suffer additional costs, complaints, or fines, have to stop using certain tools and vendors and make other operational changes, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could materially adversely affect our business, results of operations and financial condition.

In addition to other mechanisms (particularly standard contractual clauses), we previously relied on our own Privacy Shield certification and, in limited instances, the Privacy Shield certifications of third parties (for example, vendors and partners) for the purposes of transferring personal data from the EEA and United Kingdom to the United States. We continue to rely on the standard contractual clauses to transfer personal data outside the EEA and United Kingdom, including to the United States. Additionally, in certain circumstances, we rely on derogations provided for by law. These recent developments may require us to review and amend the legal mechanisms by which we make and/ or receive personal data transfers to the United States and other jurisdictions. As our lead supervisory authority, the European Data Protection Board, and other data protection regulators issue further guidance on personal data export mechanisms, including

circumstances where the standard contractual clauses cannot be used, and/or take further or start taking enforcement action, we could suffer additional costs, have to stop using certain tools and vendors and make operational changes, suffer complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services and our ability to provide our services, the geographical location or segregation of our relevant systems and operations, and could materially adversely affect our business, results of operations, and financial condition.

In the United States, there are numerous federal and state data privacy and security laws, rules, and regulations governing the collection, use, storage, sharing, transmission, and other processing of personal information, including federal and state data privacy laws, data breach notification laws, and consumer protection laws. One such federal law is the Gramm-Leach-Bliley Act of 1999 ("GLBA") and its implementing regulations, which restricts certain collection, processing, storage, use, and disclosure of personal information, requires notice to individuals of privacy practices, and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. The U.S. government, including Congress, the Federal Trade Commission and the Department of Commerce, has announced that it is reviewing the need for greater regulation for the collection of information concerning consumer behavior on the Internet, including regulation aimed at restricting certain targeted advertising practices. In addition, numerous states have enacted or are in the process of enacting state level data privacy laws and regulations governing the collection, use, and processing of state residents' personal data. For example, the CCPA took effect on January 1, 2020. The CCPA established a new privacy framework for covered businesses such as ours, and may continue to require us to modify our data processing practices and policies and incur compliance related costs and expenses. The CCPA provides new and enhanced data privacy rights to California residents, such as affording consumers the right to access and delete their information and to opt out of certain sharing and sales of personal information. The CCPA also prohibits covered businesses from discriminating against consumers (for example, charging more for services) for exercising any of their CCPA rights. The CCPA imposes severe statutory damages as well as a private right of action for certain data breaches of specific categories of personal information. This private right of action has increased the risks associated with data breach litigation. In November 2020, California voters passed the California Privacy Rights and Enforcement Act of 2020 ("CPRA"). The CPRA went into effect on January 1, 2023. The CPRA modifies and expands the CCPA with additional data privacy compliance requirements that may impact our business, and establishes a regulatory agency dedicated to enforcing those requirements. In addition, Virginia, Colorado, Utah, and Connecticut recently passed comprehensive privacy laws that take effect in 2023 and will impose obligations similar to or more stringent than those we may face under other data privacy and security laws. Together, these laws will add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment in resources to compliance programs, could impact strategies and availability of previously useful data, and could result in increased compliance costs and/or changes in business practices and policies.

Various other governments and consumer agencies around the world have also called for new regulation and changes in industry practices and many have enacted different and often contradictory requirements for protecting personal information collected and maintained electronically. Compliance with numerous and contradictory requirements of different jurisdictions is particularly difficult and costly for an online business such as ours, which collects personal information from Hosts, guests, and other individuals in multiple jurisdictions. If any jurisdiction in which we operate adopts new laws or changes its interpretation of its laws, rules, or regulations relating to data residency or localization such that we are unable to comply in a timely manner or at all, we could risk losing our rights to operate in such jurisdictions. While we have invested and continue to invest significant resources to comply with privacy regulations around the world, many of these regulations expose us to the possibility of material penalties, significant legal liability, changes in how we operate or offer our products, and interruptions or cessation of our ability to operate in key geographies, any of which could materially adversely affect our business, results of operations, and financial condition.

Furthermore, to improve the trust and safety on our platform, we conduct certain verification procedures aimed at our Hosts, guests, and listings in certain jurisdictions. Such verification procedures may include utilizing public information on the Internet, accessing public databases such as court records, utilizing third-party vendors to analyze Host or guest data, or physical inspection. These types of activities may expose us to the risk of regulatory enforcement from privacy regulators, consumer protection agencies, consumer credit reporting agencies, and civil litigation.

When we are required to disclose personal data pursuant to demands from, or give data access to, government agencies, including tax authorities, state and city regulators, law enforcement agencies, and intelligence agencies, our Hosts, guests, and data privacy and security regulators could perceive such disclosure as a failure by us to comply with data privacy and data security policies, notices, and laws, which could result in proceedings or actions against us in the same or other jurisdictions. Conversely, if we do not provide the requested information to government agencies due to a disagreement, such as on the interpretation of the law, we are likely to face enforcement action from such government, engage in litigation, face increased regulatory scrutiny, and experience an adverse impact on our relationship with governments or our ability to offer our services within certain jurisdictions. Any of the foregoing could materially adversely affect our brand, reputation, business, results of operations, and financial condition.

Our business also increasingly relies on machine learning, artificial intelligence, and automated decision making to improve our services and tailor our interactions with our customers. However, in recent years use of these methods has come under increased regulatory scrutiny. New laws, guidance, and/or decisions in this area may limit our ability to use our machine learning and artificial intelligence, or require us to make changes to our platform or operations that may decrease our operational efficiency, result in an increase to operating costs and/or hinder our ability to improve our services. For example, there are specific rules on the use of automated decision making under global privacy laws that require the existence of automated decision making to be disclosed to the data subject with a meaningful explanation of the logic used in such decision making in certain circumstances, and safeguards must be implemented to safeguard individual rights, including the right to obtain human intervention and to contest any decision. Further, California recently introduced a law requiring disclosure of chatbot functionality and more US states are contemplating similar laws.

Any failure or perceived failure by us to comply with consumer protection, data privacy or data security laws, rules, and regulations; policies; or enforcement notices and/or assessment notices (for a compulsory audit) could result in proceedings or actions against us by individuals,

consumer rights groups, government agencies, or others. We may also face civil claims including representative actions and other class action type litigation (where individuals have suffered harm), potentially amounting to significant compensation or damages liabilities, as well as associated costs, and diversion of internal resources. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make changes to our business. Further, these proceedings and any subsequent adverse outcomes may subject us to significant negative publicity, and an erosion of trust. If any of these events were to occur, our business, results of operations, and financial condition could be materially adversely affected.

If we fail to prevent data security breaches, there may be damage to our brand and reputation, material financial penalties, and legal liability, along with a decline in use of our platform, which would materially adversely affect our business, results of operations, and financial condition.

There are risks of security breaches both on and off our systems as we increase the types of technology we use to operate our platform, including mobile apps and third-party payment processing providers, and as we collaborate with third parties that may need to process our Host or guest data or have access to our infrastructure. The evolution of technology systems introduces ever more complex security risks that are difficult to predict and defend against. Further, there has been a surge in widespread cyber-attacks during the COVID-19 pandemic. The increase in the frequency and scope of cyber-attacks during the COVID-19 pandemic has exacerbated data security risks. An increasing number of companies, including those with significant online operations, have recently disclosed breaches of their security, some of which involved sophisticated tactics and techniques allegedly attributable to organized criminal enterprises or nation-state actors. While we take measures to guard against the type of activity that can lead to data breaches, the techniques used by bad actors to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are unknown until launched against a target. As such, we may be unable to anticipate these tactics and techniques or to implement adequate preventative measures.

Further, with a large geographically disparate employee base, we are not immune from the possibility of a malicious insider compromising our information systems and infrastructure. This risk has grown in light of the greater adoption of remote work. We also have a distributed community support organization including third-party providers that have access to personal information and systems. We and other companies in our industry have dealt with incidents involving such insiders exfiltrating the personal data of customers, stealing corporate trade secrets and key financial metrics, and illegally diverting funds. No series of measures can fully safeguard against a sufficiently determined and skilled insider threat.

In addition, bad actors have targeted and will continue to target our Hosts and guests directly with attempts to breach the security of their accounts or management systems, such as through phishing attacks where a third party attempts to infiltrate our systems or acquire information by posing as a legitimate inquiry or electronic communication, which are fraudulent identity theft schemes designed to appear as legitimate communications from us or from our Hosts or guests, partners, or vendors. We have seen many instances of our Hosts and guests falling prey to such schemes, which result in their accounts being taken over by fraudsters intent on perpetrating fraud against them, other users, and our platform. Bad actors may also employ other schemes aimed at defrauding our Hosts or guests in ways that we may not anticipate or be able to adequately guard against. Even if phishing and spamming attacks and other fraud schemes are not carried out through our systems, victims may nevertheless seek recovery from us. Because of our prominence, we believe that we are a particularly attractive target for such attacks. Though it is difficult to determine what, if any, harm may directly result from any specific scheme or attack, any failure to maintain performance, reliability, security, and availability of our offerings, services, and technical infrastructure to the satisfaction of our Hosts and guests may harm our reputation and our ability to retain existing Hosts and guests and attract new Hosts and guests. The ability of fraudsters to directly target our Hosts and guests with fraudulent communications, or cause an account takeover, exposes us to significant financial fraud risk, including costly litigation, which is difficult to fully mitigate.

Generally, our practice is to encrypt certain sensitive data when it is in transit and at rest. However, advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography, or other developments may result in our failure or inability to adequately protect sensitive data.

Our information technology infrastructure may be vulnerable to computer viruses or physical or electronic intrusions that our security measures may not detect. We have experienced security incidents in the past, and we may face additional attempted security intrusions in the future. Any circumvention of our security measures could result in the misappropriation of confidential or proprietary information, interrupt our operations, result in financial loss, damage our computers or those of our Hosts and guests, or otherwise cause damage to our reputation and business. Further, the ability to bypass our information security controls could degrade our trust and safety programs, which could expose individuals to a risk of physical harm or violence.

If there is a breach of our computer systems and we know or suspect that certain personal data has been exfiltrated, accessed, or used inappropriately, we may need to inform privacy regulators across the world, as well as the Hosts or guests whose data was stolen, accessed, or misused. This may subject us to significant regulatory fines and penalties. Further, under certain regulatory schemes, such as the CCPA, we may be liable for statutory damages on a per breached record basis, irrespective of any actual damages or harm to the individual. This means that in the event of a breach we could face government scrutiny or consumer class actions alleging statutory damages amounting to hundreds of millions, and possibly billions of dollars.

We rely on third-party service providers, including financial institutions, to process some of our data and that of our Hosts and guests, including payment information, and any failure by such third parties to prevent or mitigate security breaches or improper access to, or disclosure of, such information could have adverse consequences for us similar to an incident directly on our systems. We have acquired and will continue to acquire companies that are vulnerable to security breaches, and we may be responsible for any security breaches of these newly acquired companies. While we conduct due diligence of these companies, we do not have access to the full operating history of the companies and cannot be certain there have not been security breaches prior to our acquisition.

We expend, and expect to continue to expend, significant resources to protect against security related incidents and address problems caused by such incidents. Even if we were to expend more resources, regulators and complainants may not deem our efforts sufficient, and

regardless of the expenditure, the risk of security related incidents cannot be fully mitigated. We have a heightened risk of security breaches due to some of our operations being located in certain international jurisdictions. Any actual or alleged security breaches or alleged violations of federal, state, or foreign laws or regulations relating to data privacy and data security could result in mandated user notifications, litigation, government investigations, significant fines, and expenditures; divert management's attention from operations; deter people from using our platform; damage our brand and reputation; force us to cease operations for some length of time; and materially adversely affect our business, results of operations, and financial condition. Defending against claims or litigation based on any security breach or incident, regardless of their merit, will be costly and may cause reputation harm. The successful assertion of one or more large claims against us that exceed available insurance coverage, denial of coverage as to any specific claim, or any change or cessation in our insurance policies and coverages, including premium increases or the imposition of large deductible requirements, could have a material adverse effect on our business, results of operations, and financial condition.

Our platform is highly complex, and any undetected errors could materially adversely affect our business, results of operations, and financial condition.

Our platform is a complex system composed of many interoperate components and software, including algorithms that incorporate machine learning and exhibit characteristics of artificial intelligence. Our business is dependent upon our ability to prevent system interruption on our platform, to effectively implement updates to our systems and to appropriately monitor and maintain our systems. Our software, including open source software that is incorporated into our code, may now or in the future contain undetected errors, bugs, vulnerabilities, or backdoors. Some errors, bugs, vulnerabilities, or backdoors in our software code have not been and may not be discovered until after the code has been released. We have, from time to time, found defects or errors in our system and software limitations that have resulted in, and may discover additional issues in the future that could result in, platform unavailability or system disruption, or the inability of our systems to implement timely updates that are required for regulatory compliance. For example, defects or errors have resulted in and could result in the delay in making payments to Hosts or overpaying or underpaying Hosts, which would impact our cash position and may cause Hosts to lose trust in our payment operations. Any errors, bugs, vulnerabilities, or backdoors discovered in our code or systems released to production or found in third-party software, including open source software, that is incorporated into our code, any misconfigurations of our systems, or any unintended interactions between systems could result in poor system performance, an interruption in the availability of our platform, incorrect payments, incorrect calculations, search ranking problems, Host account takeovers, fraudulent listings, issues with chatbot behavior, inadvertent failure to effectively comply with legal, tax, or regulatory requirements, negative publicity, damage to our reputation, loss of existing and potential Hosts and guests, loss of revenue, liability for damages, a failure to comply with certain legal or tax reporting obligations, and regulatory inquiries or other proceedings, any of which could materially adversely affect our business, results of operations, and financial condition.

System capacity constraints, system or operational failures, or denial-of-service or other attacks could materially adversely affect our business, results of operations, and financial condition.

Since our founding, we have experienced rapid growth in consumer traffic to our platform. If our systems and network infrastructure cannot be expanded or are not scaled to cope with increased demand or fail to perform, we could experience unanticipated disruptions in service, slower response times, decreased customer satisfaction, and delays in the introduction of new offerings and tiers.

Our systems and operations, including those provided by third-party service providers, are vulnerable to damage or interruption from human error, computer viruses, earthquakes, floods, fires, power loss, and similar events. For example, we have significant operations in San Francisco, which is built on a high-risk liquefaction zone and is near major earthquake fault lines. In addition, Northern California has recently experienced, and may continue to experience power outages during the fire season and our headquarters does not have power generator backup to maintain full business continuity. A catastrophic event that results in the destruction or disruption of our headquarters, any third-party cloud hosting facilities, or our critical business or information technology systems could severely affect our ability to conduct normal business operations and result in lengthy interruptions or delays of our platform and services.

Our systems and operations are also subject to break-ins, sabotage, intentional acts of vandalism, terrorism, and similar misconduct from external sources and malicious insiders. Our existing security measures may not be successful in preventing attacks on our systems, and any such attack could cause significant interruptions in our operations. For instance, from time to time, we have experienced distributed denial-of-service type attacks on our systems that have made portions of our platform slow or unavailable for periods of time. There are numerous other potential forms of attack, such as phishing, account takeovers, malicious code injections, ransomware or other extortion-based attempts, and the attempted use of our platform to launch a denial-of-service attack against another party, each of which could cause significant interruptions in our operations or involve us in legal or regulatory proceedings. Reductions in the availability and response time of our online platform could cause loss of substantial business volumes during the occurrence of any such attack on our systems and measures we may take to divert suspect traffic in the event of such an attack could result in the diversion of bona fide customers. These issues are likely to become more difficult to manage as we expand the number of places where we operate and the variety of services we offer, and as the tools and techniques used in such attacks become more advanced and available. Successful attacks could result in negative publicity and damage to our reputation, and could prevent consumers from booking or visiting our platform during the attack, any of which could materially adversely affect our business, results of operations, and financial condition.

In the event of certain system failures, we may not be able to switch to back-up systems immediately and the time to full recovery could be prolonged. We have experienced system failures from time to time. In addition to placing increased burdens on our engineering staff, these outages create a significant amount of consumer questions and complaints that need to be addressed by our community support team. Any unscheduled interruption in our service could result in an immediate and significant loss of revenue, an increase in community support costs, harm to our reputation, and could result in some consumers switching to our competitors. If we experience frequent or persistent system failures, our brand and reputation could be permanently and significantly harmed, and our business, results of operations, and financial condition could be materially adversely affected. While we have taken and continue to take steps to increase the reliability and redundancy of our systems, these steps are expensive and may not be completely effective in reducing the frequency or duration of unscheduled downtime. We do not carry business interruption insurance sufficient to compensate us for all losses that may occur.

We use both internally developed systems and third-party systems to operate our platform, including transaction and payment processing, and financial and accounting systems. If the number of consumers using our platform increases substantially, or if critical third-party systems stop operating as designed, we may need to significantly upgrade, expand, or repair our transaction and payment processing systems, financial and accounting systems, and other infrastructure. We may not be able to upgrade our systems and infrastructure to accommodate such conditions in a timely manner, and depending on the systems affected, our transaction and payment processing, and financial and accounting systems could be impacted for a meaningful amount of time, which could materially adversely affect our business, results of operations, and financial condition.

Our business depends on the performance and reliability of the Internet, mobile, telecommunications network operators, and other infrastructures that are not under our control. As consumers increasingly turn to mobile devices, we also become dependent on consumers' access to the Internet through mobile carriers and their systems. Disruptions in Internet access, whether generally, in a specific region or otherwise, could materially adversely affect our business, results of operations, and financial condition.

Uncertainty in the application of taxes to our Hosts, guests, or platform could increase our tax liabilities and may discourage Hosts and guests from conducting business on our platform.

We are subject to a variety of taxes and tax collection obligations in the United States (federal, state, and local) and numerous foreign jurisdictions. We have received communications from numerous foreign, federal, state, and local governments regarding the application of tax laws or regulations to our business or demanding data about our Hosts and guests to aid in threatened or actual enforcement actions against our Hosts and guests. In many jurisdictions where applicable, we have agreed to collect and remit taxes on behalf of our Hosts. We have been subject to complaints by, and are involved in a number of lawsuits brought by, certain government entities for alleged responsibility for direct and indirect taxes. In some jurisdictions we are in dispute with respect to past and future taxes. A number of jurisdictions have proposed or implemented new tax laws or interpreted existing laws to explicitly apply various taxes to businesses like ours. Laws and regulations relating to taxes as applied to our platform, and to our Hosts and guests, vary greatly among jurisdictions, and it is difficult or impossible to predict how such laws and regulations will be applied.

The application of indirect taxes, such as lodging taxes, hotel, sales and use tax, privilege taxes, excise taxes, VAT, goods and services tax, digital services taxes, harmonized sales taxes, business tax, and gross receipt taxes (together, "indirect taxes") to e-commerce activities such as ours and to our Hosts or guests is a complex and evolving issue. Some of such tax laws or regulations hold us responsible for the reporting, collection, and payment of such taxes, and such laws could be applied to us for transactions conducted in the past as well as transactions in the future. Many of the statutes and regulations that impose these taxes were established before the adoption and growth of the Internet and e-commerce. New or revised foreign, federal, state, or local tax regulations may subject us or our Hosts and guests to additional indirect, income, and other taxes, and depending upon the jurisdiction could subject us or our Hosts and guests to significant monetary penalties and fines for non-payment of taxes. An increasing number of jurisdictions are considering adopting or have adopted laws or administrative practices that impose new tax measures, including digital platform revenue-based taxes, targeting online sharing platforms and online marketplaces, and new obligations to collect Host income taxes, sales, consumption, value added, or other taxes on digital platforms. We may recognize additional tax expenses and be subject to additional tax liabilities, and our business, results of operations, and financial condition could be materially adversely affected by additional taxes of this nature or additional taxes or penalties resulting from our failure to comply with any reporting, collection, and payment obligations. We accrue a reserve for such taxes when the likelihood is probable that such taxes apply to us, and upon examination or audit, such reserves may be insufficient.

New or revised taxes and, in particular, the taxes described above and similar taxes would likely increase the price paid by guests, the cost of doing business for our Hosts, discourage Hosts and guests from using our platform, and lead to a decline in revenue, and materially adversely affect our business, results of operations, and financial condition. If we are required to disclose personal data pursuant to demands from government agencies for tax reporting purposes, our Hosts, guests, and regulators could perceive such disclosure as a failure by us to comply with data privacy and data security policies, notices, and laws and commerce proceedings or actions against us. If we do not provide the requested information to government agencies due to a disagreement on the interpretation of the law, we are likely to face enforcement action, engage in litigation, face increased regulatory scrutiny, and experience an adverse impact in our relationships with governments. Our competitors may arrive at different or novel solutions to the application of taxes to analogous businesses that could cause our Hosts and guests to leave our platform in favor of conducting business on the platforms of our competitors. This uncertainty around the application of taxes and the impact of those taxes on the actual or perceived value of our platform may also cause guests to use OTAs, hotels, or other traditional travel services. Any of these events could materially adversely affect our brand, reputation, business, results of operations, and financial condition.

We devote significant resources, including management time, to the application and interpretation of laws and working with various jurisdictions to clarify whether taxes are applicable and the amount of taxes that apply. The application of indirect taxes to our Hosts, guests, and our platform significantly increases our operational expenses as we build the infrastructure and tools to capture data and to report, collect, and remit taxes. Even if we are able to build the required infrastructure and tools, we may not be able to complete them in a timely fashion, in particular given the speed at which regulations and their interpretations can change, which could harm our relationship with governments and our reputation, and result in enforcement actions and litigation. The lack of uniformity in the laws and regulations relating to indirect taxes as applied to our platform and to our Hosts and guests further increases the operational and financial complexity of our systems and processes, and introduces potential for errors or incorrect tax calculations, all of which are costly to our business and results of operations. Certain regulations may be so complex as to make it infeasible for us to be fully compliant. As our business operations expand or change, including as a result of introducing new or enhanced offerings, tiers or features, or due to acquisitions, the application of indirect taxes to our business and to our Hosts and guests will further change and evolve, and could further increase our liability for taxes, discourage Hosts and guests from using our platform, and materially adversely affect our business, results of operations, and financial condition.

We face possible risks associated with natural disasters and extreme weather events (the frequency and severity of which may be impacted by climate change), which may include more frequent or severe storms, extreme temperatures and ambient temperature increases, hurricanes, flooding, rising sea levels, shortages of water, droughts, and wildfires, any of which could have a material adverse effect on our business, results of operations, and financial condition.

We are subject to the risks associated with natural disasters and the physical effects of climate change, which may include more frequent or severe storms, extreme temperatures and ambient temperature increases, hurricanes, flooding, rising sea levels, shortages of water, droughts, and wildfires (although it is currently impossible to accurately predict the impact of climate change on the frequency or severity of these events), any of which could have a material adverse effect on our business, results of operations, and financial condition. We, including through our Hosts, operate in certain areas where the risk of natural or climate-related disaster or other catastrophic losses exists, and the occasional incidence of such an event could cause substantial damage to us, our Hosts' property or the surrounding area. For example, to the extent climate change causes changes in weather patterns or an increase in extreme weather events, our coastal destinations could experience increases in storm intensity and rising sea-levels causing damage to our Hosts' properties and result in a reduced number of listings in these areas. Other destinations could experience extreme temperatures and ambient temperature increases, shortages of water, droughts, wildfires, and other extreme weather events that make those destinations less desirable. Climate change may also affect our business by increasing the cost of, or making unavailable, property insurance on terms our Hosts find acceptable in areas most vulnerable to such events, increasing operating costs for our Hosts, including the availability and cost of water or energy, and requiring our Hosts to expend funds as they seek to repair and protect their properties in connection with such events. As a result of the foregoing and other climate-related issues, our Hosts may decide to remove their listings from our platform. If we are unable to provide listings in certain areas due to climate change, we may lose both Hosts and guests, which could have a material adverse effect on our business, results of operations, and financial condition.

We may experience significant fluctuations in our results of operations, which make it difficult to forecast our future results.

Our results of operations may vary significantly and are not necessarily an indication of future performance. We experience seasonal fluctuations in our financial results. We experience seasonality in our Nights and Experiences Booked and GBV, and seasonality in Adjusted EBITDA that is consistent with seasonality of our revenue, which has historically been, and is expected to continue to be, highest in the third quarter when we have the most check-ins as it is the peak travel season for North America and EMEA. We recognize revenue upon the completion of a check-in. As our business matures, other seasonal trends may develop, or these existing seasonal trends may become more extreme. Since the beginning of the pandemic, we saw a significant geographic mix shift towards bookings in North America, entire homes, and non-urban destinations, all of which tend to have higher average daily rates. These trends and their impact on our average daily rate may change as the pandemic eases and cross-border travel and urban destinations recover.

In addition, our results of operations may fluctuate as a result of a variety of other factors, some of which are beyond our control, including:

- reduced travel and cancellations due to other events beyond our control such as health concerns, including the COVID-19 pandemic, other epidemics and pandemics, natural disasters, wars, regional hostilities or law enforcement demands, and other regulatory actions;
- global macroeconomic conditions;
- periods with increased investments in our platform for existing offerings, new offerings and initiatives, marketing, and the accompanying growth in headcount;
- our ability to maintain growth and effectively manage that growth;
- increased competition;
- our ability to expand our operations in new and existing regions;
- changes in governmental or other regulations affecting our business;
- changes to our internal policies or strategies;
- harm to our brand or reputation; and
- other risks described elsewhere in this Annual Report on Form 10-K.

As a result, we may not accurately forecast our results of operations. In addition, we experience a difference in timing between when a booking is made and when we recognize revenue, which ordinarily occurs upon check-in. The effect of significant downturns in bookings in a particular quarter may not be fully reflected in our results of operations until future periods because of this timing in revenue recognition. Moreover, we base our expense levels and investment plans on estimates for revenue that may turn out to be inaccurate. A significant portion of our expenses and investments are fixed, and we may not be able to adjust our spending quickly enough if our revenue is less than expected, resulting in losses that exceed our expectations. If our assumptions regarding the risks and uncertainties that we use to plan our business are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, results of operations, and financial condition could be materially adversely affected.

We currently rely on a number of third-party service providers to host and deliver a significant portion of our platform and services, and any interruptions or delays in services from these third parties, such as those resulting from cybersecurity incidents, could impair the delivery of our platform and services, and our business, results of operations, and financial condition could be materially adversely affected.

We rely primarily on Amazon Web Services in the United States and abroad to host and deliver our platform. Third parties also provide services to key aspects of our operations, including Internet connections and networking, data storage and processing, trust and safety, security infrastructure, source code management, and testing and deployment. In addition, we rely on third parties for many aspects of our payments platform, and a significant portion of our community support operations are conducted by third parties at their facilities. We also rely on Google Maps and other third-party services for maps and location data that are core to the functionality of our platform, and we integrate applications, content, and data from third parties to deliver our platform and services.

We do not control the operation, physical security, or data security of any of these third-party providers. Despite our efforts to use commercially reasonable diligence in the selection and retention of such third-party providers, such efforts may be insufficient or inadequate to prevent or remediate such risks. Some of our third-party providers, including our cloud computing providers and our payment processing partners have been and may be subject to further intrusions, computer viruses, malicious software (such as ransomware), denial-of-service attacks, phishing attacks, sabotage, acts of vandalism, terrorism, or other misconduct, and incidents due to inadvertent error or malfeasance by employees, contractors or other parties. There can be no assurance that our service providers will anticipate or prevent all types of attacks or that any security measures will be effective against all types of cybersecurity threats and risks. Cyberattacks are expected to accelerate on a global basis in both frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques that circumvent controls, evade detection, and remove forensic evidence, which means that our third-party providers may be unable to detect, investigate, contain or recover from future attacks or incidents in a timely or effective manner. In addition, the COVID-19 pandemic has increased cybersecurity risk as a result of global remote working dynamics that present additional opportunities for threat actors to engage in social engineering (for example, phishing) and to exploit vulnerabilities in non-corporate networks. Our service providers are vulnerable to damage or interruption from power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, and similar events, and they may be subject to financial, legal, regulatory, and labor issues, each of which may impose additional costs or requirements on us or prevent these third parties from providing services to us or our customers on our behalf. In addition, these third parties may breach their agreements with us, disagree with our interpretation of contract terms or applicable laws and regulations, refuse to continue or renew these agreements on commercially reasonable terms or at all, fail to or refuse to process transactions or provide other services adequately, take actions that degrade the functionality of our platform and services, increase prices, impose additional costs or requirements on us or our customers, or give preferential treatment to our competitors. If we are unable to procure alternatives in a timely and efficient manner and on acceptable terms, or at all, we may be subject to business disruptions, losses, or costs to remediate any of these deficiencies. Our systems currently do not provide complete redundancy of data storage or processing or payment processing, and business continuity and disaster recovery plans may not be effective. The occurrence of any of the above events could result in Hosts and guests ceasing to use our platform, reputational damage, legal or regulatory proceedings, or other adverse consequences, which could materially adversely affect our business, results of operations, and financial condition.

We may raise additional capital in the future or otherwise issue equity, which could have a dilutive effect on existing stockholders and adversely affect the market price of our common stock. If we require additional funding to support our business, this additional funding may not be available on reasonable terms, or at all.

We may from time to time issue additional shares of common stock. As a result, our stockholders may experience immediate dilution. We may engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock. In addition, our stockholders will experience additional dilution when option holders exercise their right to purchase common stock under our equity incentive plans, when RSUs vest and settle, when we issue equity awards to our employees under our equity incentive plans, or when we otherwise issue additional equity. Additionally, the terms of future debt agreements could include more restrictive covenants, which could further restrict our business operations.

There has been increased volatility in the financial and securities markets, which has generally made access to capital less certain and increased the cost of obtaining new capital. Should we require additional funding, we cannot be sure that additional financing will be available to us on reasonable terms, or at all. If we cannot raise additional funds when we need them, our ability to continue to support our business and to respond to business challenges would be significantly limited, and our business, results of operations, and financial condition would be materially adversely affected.

The coverage afforded under our insurance policies may be inadequate for the needs of our business or our third-party insurers may be unable or unwilling to meet our coverage requirements, which could materially adversely affect our business, results of operations, and financial condition.

We use a combination of third-party insurance and self-insurance, including a wholly-owned captive insurance subsidiary established in 2019, to manage the exposures related to our business operations. We support our Host community by maintaining a variety of Host protection programs, such as AirCover for Hosts, which includes our Host Liability Insurance, Experiences Liability Insurance, and our Host Damage Protection program. Our business, results of operations, and financial condition would be materially adversely affected if (i) cost per claim, premiums or the number of claims significantly exceeds our expectations; (ii) we experience a claim in excess of our coverage limits; (iii) our insurance providers become insolvent or otherwise fail to pay on our insurance claims; (iv) we experience a claim for which coverage is denied by or disputed by our insurance providers; or (v) the number of claims under our deductibles or self-insured retentions differs from historic averages. Our spending for insurance has increased as our business has grown and losses from covered claims have increased. Premiums have increased as a result, and we have experienced and expect to continue to experience increased difficulty in obtaining appropriate policy limits and levels of coverage at a reasonable cost and with reasonable terms and conditions. Our costs for obtaining these policies will continue to increase as our business grows and continues to evolve. Furthermore, as our business continues to develop and diversify, we may experience difficulty in obtaining insurance coverage for new and evolving offerings, which could require us to incur greater costs and materially adversely affect our business, results of operations, and financial condition. Additionally, if we fail to comply with insurance regulatory requirements in the regions where we operate, or other regulations governing insurance coverage, our brand, reputation, business, results of operations, and financial condition could be materially adversely affected.

Host Liability Insurance and Experiences Liability Insurance

In order to offset our potential exposure related to stays and experiences and to comply with certain short-term and long-term rental regulatory requirements, we have procured Host Liability and Experiences Liability general liability insurance from third parties, which are subject to certain terms, conditions, and exclusions, for claims from guests and third parties for bodily injury or property damage arising from bookings of stays and experiences through our platform. We and our Hosts are insured parties, and landlords, homeowners, or condo-

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owners associations, and any other similar entities, are additional insured parties. However, these insurance programs may not provide coverage for certain types of claims, including those relating to contagious diseases such as COVID-19, and may be insufficient to fully cover costs of investigation, costs of defense, and payments or judgments arising from covered claims. In addition, extensive or costly claims could lead to premium increases or difficulty securing coverage, which may result in increased financial exposure and an inability to meet insurance regulatory requirements.

Corporate Insurance

We procure insurance policies to cover various business and operations-related risks that are normal and customary and available in the current insurance market, including general business liability, workers' compensation, cyber liability and data breaches, crime, directors' and officers' liability, and property insurance. We do not have sufficient coverage for certain catastrophic events, including certain business interruption losses, such as those resulting from the COVID-19 pandemic or extended disruptions resulting from the failure of our third-party service providers. Additionally, certain policies may not be available to us and the policies we have and obtain in the future may not be sufficient to cover all of our business exposure.

Captive Insurance Company

We have a wholly-owned captive insurance subsidiary to manage the financial exposure related to our Host and Experiences liability insurance programs along with certain corporate insurance programs. Our captive insurance subsidiary is a party to certain reinsurance and indemnification arrangements that transfer a portion of the risk from our insurance providers to the captive insurance subsidiary, which could require us to pay out material amounts that may be in excess of our insurance reserves. As our business continues to develop and diversify, we may choose to or have to transfer more risk to our captive insurance subsidiary as it may become more difficult to obtain insurance with current retentions or deductibles and with similar terms to cover our exposure. Our insurance reserves reflect the estimated cost for claims incurred but not paid and claims that have been incurred but not yet reported and other associated expenses, such as defense costs retained by us through our captive insurance subsidiary. These amounts are based on third-party actuarial estimates, historical claim information, and industry data. While these reserves are believed to be adequate, our ultimate liability could be in excess of our reserves, which could materially adversely affect our results of operations and financial position.

Host Damage Protection Program

We maintain a Host Damage Protection program that provides reimbursement of up to \$3 million for loss or damages to a Host property caused by guests, subject to terms and conditions. While the Host Damage Protection program is a commercial agreement with our Hosts and for which we are primarily responsible, we maintain a contractual liability insurance policy to provide coverage to us for claims and losses incurred by us under the Host Damage Protection program. Increased claim frequency and severity and increased fraudulent claims could result in greater payouts, premium increases, and/or difficulty securing coverage. Further, disputes with Hosts as to whether the Host Damage Protection program applies to alleged losses or damages and the increased submission of fraudulent payment requests could require significant time and financial resources.

We offer travel insurance products to guests which subject us and our business to extensive laws, regulations and supervision.

Since June 2022, guests in certain jurisdictions have had the opportunity to purchase travel insurance when they make a booking. Over time, we expect to make travel insurance available to guests in additional countries. In the United States, travel insurance products are subject to extensive regulation in the states in which we transact business by state insurance departments. This regulation is generally designed to protect the interests of consumers. States have also adopted legislation defining and prohibiting unfair methods of competition and unfair or deceptive acts and practices in the business of insurance that may apply to insurance agencies. Noncompliance with any of such state statutes may subject us to regulatory action by the relevant state insurance regulator, and, in certain states, private litigation. In addition, we cannot predict the impact that any new laws, rules or regulations, or unfavorable changes in or interpretations of existing laws, rules or regulations, may have on our business and financial results. States also regulate various aspects of the contractual relationships between insurers and independent agents. State insurance regulators may also conduct periodic examinations, the results of which could give rise to regulatory orders requiring remedial, injunctive, or other corrective action. Similarly, travel insurance products are subject to extensive regulation and supervision by the applicable regulators in the United Kingdom and the European Union. The failure to comply with applicable state and foreign laws and regulations could result in fines and/or proceedings against us by governmental agencies and/or consumers which, if material, could adversely affect our business, financial condition and results of operations.

Our community support function is critical to the success of our platform, and any failure to provide high-quality service could affect our ability to retain our existing Hosts and guests and attract new ones.

Our ability to provide high-quality support to our community of Hosts and guests is important for the growth of our business and any failure to maintain such standards of community support, or any perception that we do not provide high-quality service, could affect our ability to retain and attract Hosts and guests. Meeting the community support expectations of our Hosts and guests requires significant time and resources from our community support team and significant investment in staffing, technology, including automation and machine learning to improve efficiency, infrastructure, policies, and community support tools. The failure to develop the appropriate technology, infrastructure, policies, and community support tools, or to manage or properly train our community support team, could compromise our ability to resolve questions and complaints quickly and effectively. The number of our Hosts and guests has grown significantly and such growth, as well as any future growth, will put additional pressure on our community support organization and our technology organization. In addition, as we service a global customer base and continue to grow outside of North America and Europe, we need to be able to provide effective support that meets our Hosts' and guests' needs and languages globally at scale. Our service is staffed based on complex algorithms that map to our business forecasts. Any volatility in those forecasts could lead to staffing gaps that could impact the quality of our service. We have in the past experienced and may in the future experience backlog incidents that lead to substantial delays or other issues in responding to requests for customer support, which may reduce our ability to effectively retain Hosts and guests.

The vast majority of our community support is performed by a limited number of third-party service providers. We rely on our internal team and these third parties to provide timely and appropriate responses to the inquiries of Hosts and guests that come to us via telephone, email, social media, and chat. Reliance on these third parties requires that we provide proper guidance and training for their employees, maintain proper controls and procedures for interacting with our community, and ensure acceptable levels of quality and customer satisfaction are achieved. If our community support third-party service providers are unable to attract, retain and train adequate staffing, there could be an adverse impact on the experience of our Hosts and guests, which could materially adversely affect our brand, business, results of operations, and financial condition.

We provide community support to Hosts and guests and help to mediate disputes between Hosts and guests. We rely on information provided by Hosts and guests and are at times limited in our ability to provide adequate support or help Hosts and guests resolve disputes due to our lack of information or control. To the extent that Hosts and guests are not satisfied with the quality or timeliness of our community support or third-party support, we may not be able to retain Hosts or guests, and our reputation as well as our business, results of operations, and financial condition could be materially adversely affected.

When a Host or guest has a poor experience on our platform, we may issue refunds or coupons for future stays. These refunds and coupons are generally treated as a reduction to revenue. We may make payouts for property damage claims under our Host Damage Protection program, which we account for as consideration paid to a customer and is also generally treated as a reduction in revenue. A robust community support effort is costly, and we expect such cost to continue to rise in the future as we grow our business. We have historically seen a significant number of community support inquiries from Hosts and guests. Our efforts to reduce the number of community support requests may not be effective, and we could incur increased costs without corresponding revenue, which would materially adversely affect our business, results of operations, and financial condition.

A significant portion of our bookings and revenue are denominated in foreign currencies, and our financial results are exposed to changes in foreign exchange rates.

A significant portion of our business is denominated and transacted in foreign currencies, which subjects us to foreign exchange risk. We offer integrated payments to our Hosts and guests in over 40 currencies. Revenue could be negatively impacted by currency fluctuations. Generally speaking, U.S. dollar strength adversely impacts the translation of the portion of our revenue that is generated in foreign currencies into the U.S. dollar. For the year ended December 31, 2022, approximately 50% of our revenue was denominated in currencies other than U.S. dollars, which adversely impacted total revenue by 6%. We also have foreign exchange risk with respect to certain of our assets, principally cash balances held on behalf of Hosts and guests, that are denominated in currencies other than the functional currency of our subsidiaries, and our financial results are affected by the remeasurement and translation of these non-U.S. currencies into U.S. dollars, which is reflected in the effect of exchange rate changes on cash, cash equivalents, and restricted cash on the consolidated statements of cash flows. Furthermore, our platform generally enables guests to make payments in the currency of their choice to the extent that the currency is supported by Airbnb, which may not match the currency in which the Host elects to get paid. In those cases, we bear the currency risk of both the guest payment as well as the Host payment due to timing differences in such payments. We may also risk currency rate and logic confusion by Hosts or guests if they do not understand the currency shown.

In the first quarter of 2023, we initiated a foreign exchange cash flow hedging program to minimize the effects of currency fluctuations on revenue. However, hedging transactions may not successfully mitigate losses caused by currency fluctuations, and our hedging positions may be partial or may not exist at all in the future. While we have and may choose to enter into transactions to hedge portions of our revenue and balance sheet exposures in the future, it is impossible to predict or eliminate the effects of foreign exchange rate exposure.

We may have exposure to greater than anticipated income tax liabilities.

Our income tax obligations are based in part on our corporate operating structure and intercompany arrangements, including the manner in which we operate our business, develop, value, manage, protect, and use our intellectual property, and determine the value of our intercompany transactions. The tax laws applicable to our business, including those of the United States and other jurisdictions, are subject to interpretation and certain jurisdictions are aggressively interpreting their laws in new ways in an effort to raise additional tax revenue from companies such as Airbnb. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, which could increase our worldwide effective tax rate and materially adversely affect our results of operations and financial condition.

We are subject to regular review and audit by U.S. federal, state, local, and foreign tax authorities. For example, our 2008 to 2022 tax years remain subject to examination in the United States and California due to tax attributes and statutes of limitations, and our 2018 to 2022 tax years remain subject to examination in Ireland. We are currently under examination for income taxes by the Internal Revenue Service ("IRS") for the years 2013, 2016, 2017, and 2018. We are continuing to respond to inquiries related to these examinations. In December 2020, we received a Notice of Proposed Adjustment ("NOPA") from the IRS for the 2013 tax year relating to the valuation of our international intellectual property which was sold to a subsidiary in 2013. The notice proposed an increase to our U.S. taxable income that could result in additional income tax expense and cash tax liability of \$1.3 billion, plus penalties and interest, which exceeds our current reserve recorded in our consolidated financial statements by more than \$1.0 billion. We disagree with the proposed adjustment and intend to vigorously contest it. In February 2021, we submitted a protest to the IRS describing our disagreement with the proposed adjustment and requesting the case be transferred to the IRS Independent Office of Appeals ("IRS Appeals"). In December 2021, we received a rebuttal from the IRS with the same proposed adjustments that were in the NOPA. In January 2022, we entered into an administrative dispute process with IRS Appeals. We will continue to pursue all available remedies to resolve this dispute, including petitioning the U.S. Tax Court ("Tax Court") for redetermination if an acceptable outcome cannot be reached with IRS Appeals, and if necessary, appealing the Tax Court's decision to the appropriate appellate court. If the IRS prevails in the assessment of additional tax due based on its position and such tax and related interest and penalties, if any, exceeds our current reserves, such outcome could have a material adverse impact on our financial position and results.

of operations, and any assessment of additional tax could require a significant cash payment and have a material adverse impact on our cash flow.

The determination of our worldwide provision for (benefit from) income taxes and other tax liabilities requires significant judgment by management, and there are many transactions where the ultimate tax determination is uncertain. Our provision for (benefit from) income taxes is also determined by the manner in which we operate our business, and any changes to such operations or laws applicable to such operations may affect our effective tax rate. Although we believe that our provision for (benefit from) income taxes is reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and could materially affect our financial results in the period or periods for which such determination is made. In addition, our future tax expense could be adversely affected by earnings being lower than anticipated in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates, by changes in the valuation of our deferred tax assets and liabilities, or by changes in tax laws, regulations, or accounting principles. For example, we have previously incurred losses in the United States and certain international subsidiaries that resulted in an effective tax rate that is significantly higher than the statutory tax rate in the United States and this could continue to happen in the future. We may also be subject to additional tax liabilities relating to indirect or other non-income taxes, as described in our risk factor titled “— Uncertainty in the application of taxes to our Hosts, guests, or platform could increase our tax liabilities and may discourage Hosts and guests from conducting business on our platform.” Our tax positions or tax returns are subject to change, and therefore we cannot accurately predict whether we may incur material additional tax liabilities in the future, which would materially adversely affect our results of operations and financial condition.

In addition, in connection with any planned or future acquisitions, we may acquire businesses that have differing licenses and other arrangements that may be challenged by tax authorities for not being at arm's-length or that are potentially less tax efficient than our licenses and arrangements. Any subsequent integration or continued operation of such acquired businesses may result in an increased effective tax rate in certain jurisdictions or potential indirect tax costs, which could result in us incurring additional tax liabilities or having to establish a reserve in our consolidated financial statements, and materially adversely affect our results of operations and financial condition.

Changes in tax laws or tax rulings could materially affect our results of operations and financial condition.

The tax regimes we are subject to or operate under, including income and non-income (including indirect) taxes, are unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially adversely affect our results of operations and financial condition. On August 16, 2022, the Inflation Reduction Act (the “IRA”) was signed into law in the United States. Among other changes, the IRA introduced a corporate minimum tax on certain corporations with average adjusted financial statement income over a three-tax year period in excess of \$1 billion and an excise tax on certain stock repurchases by certain covered corporations for taxable years beginning after December 31, 2022. The United States government may enact further significant changes to the taxation of business entities including, among other changes, an increase in the corporate income tax rate or significant changes to the taxation of income derived from international operations. The likelihood of these changes being enacted or implemented is unclear. In addition, many countries in Europe, as well as a number of other countries and states, have recently proposed or recommended changes to existing tax laws or have enacted new laws that could significantly increase our tax obligations in many countries and states where we do business or require us to change the manner in which we operate our business. For example, in Italy, a 2017 law requires short-term rental platforms that process payments to collect and remit Host income tax and tourist tax, amongst other obligations. Airbnb has challenged this law before the Italian courts and the CJEU, but if we are unsuccessful this will lead to further compliance and potentially significant prior and future tax obligations. In December 2022, the CJEU found that European law does not prohibit member states from passing legislation requiring short-term rental platforms to withhold income taxes from their hosts, however a requirement to appoint tax representative (on which the 2017 law and the withholding obligations are based) is contrary to EU law and the case will now return to the national court. Airbnb's subsidiary in Italy and subsidiary in Ireland are subject to tax audits in Italy, including in relation to permanent establishment, transfer pricing, and withholding obligations. Such audits could result in the imposition of potentially significant prior and future tax obligations.

The Organization for Economic Cooperation and Development has been working on a Base Erosion and Profit Shifting Project, and issued a report in 2015 and an interim report in 2018 detailing 15 key actions aimed at ensuring profits are taxed where the economic activities generating those profits are performed and where value is created. Work continues to be undertaken by the project with regard to each action, and new recommendations are regularly made, including proposed new legislation. Recent examples include the implementation of minimum standards in local legislation to neutralize the effects of hybrid mismatches and to appropriately tax controlled foreign companies. Proposals from the OECD can result in an increased tax burden for us in jurisdictions that adopt such proposals.

Of particular focus at the moment is what is known as BEPS 2.0 - the aim to address the tax challenges arising from the digitalization of the economy, and in 2021, more than 140 countries tentatively signed on to a framework that imposes a minimum tax rate of 15%, among other provisions. As this framework is subject to further negotiation and implementation by each member country, the timing and ultimate impact of any such changes on our tax obligations are uncertain. Similarly, the European Commission and several countries have issued proposals that would change various aspects of the current tax framework under which we are taxed. These proposals include changes to the existing framework to calculate income tax, as well as proposals to change or impose new types of non-income (including indirect) taxes, including taxes based on a percentage of revenue. For example, France, Italy, Spain, and the United Kingdom, among others, have each proposed or enacted taxes applicable to digital services, which includes business activities on digital platforms and would likely apply to our business. In December 2022, the EU unanimously agreed to implement the minimum tax rate legislation by December 31, 2023 in all Member States, though whether this is practically achievable is currently unknown. Several other countries including Australia, Canada, Colombia, Japan, New Zealand, Norway, Singapore, South Korea, and the United Kingdom have also committed to implement similar legislation within the same timeframe.

The European Commission has conducted investigations in multiple countries focusing on whether local country tax rulings or tax law provide preferential tax treatment that violates EU state aid rules and concluded that certain countries, including Ireland, have provided illegal state aid in certain cases. These investigations may result in changes to the tax treatment of our foreign operations. Due to the large

and increasing scale of our international business activities, many of these types of changes to the taxation of our activities described above and in our risk factor titled “—Uncertainty in the application of taxes to our Hosts, guests, or platform could increase our tax liabilities and may discourage Hosts and guests from conducting business on our platform” could increase our worldwide effective tax rate, increase the amount of non-income (including indirect) taxes imposed on our business, and materially adversely affect our business, results of operations, and financial condition. Such changes may also apply retroactively to our historical operations and result in taxes greater than the amounts estimated and recorded in our financial statements.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

While federal net operating loss carryforwards generated on or after January 1, 2018 are not subject to expiration, the deductibility of such net operating loss carryforwards is limited to 80% of our taxable income for taxable years beginning on or after January 1, 2021. Utilization of our net operating loss carryforwards depends on our future taxable income, and there is a risk that some of our existing net operating loss carryforwards and tax credits could expire unused (to the extent subject to expiration) and be unavailable to offset future taxable income, which could materially adversely affect our results of operations and financial condition. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the “Code”), if a corporation undergoes an “ownership change,” generally defined as a greater than 50 percentage point change (by value) in its equity ownership by significant stockholders or groups of stockholders over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change taxable income or income tax liabilities may be limited. Similar rules may apply under state tax laws. We may have undergone ownership changes in the past, and we may experience ownership changes in the future because of shifts in our stock ownership, many of which are outside of our control. As a result, our ability to use our net operating loss carryforwards and other tax attributes to offset future U.S. federal taxable income or income tax liabilities may be, or may become, subject to limitations, which could result in increased future tax liability to us.

We have adopted a Live and Work Anywhere policy. The increase in remote working could subject us to certain operational challenges and have adverse tax implications, which could materially adversely affect our business, results of operations, and financial condition.

As a result of the COVID-19 pandemic, most of our employees and third-party vendors and service providers began working remotely. In 2022, we formally adopted our Live and Work Anywhere policy, which permits the majority of our employees to work remotely. Remote working may subject us to operational challenges and risks. For example, a natural disaster, power outage, connectivity issue, or other event may impact our employees’ ability to work remotely. In addition, members of our workforce who work remotely may not have access to technology that is as robust as that in our offices, which could cause the networks, information systems, applications, and other tools available to those remote workers to be more limited or less reliable than in our offices. We may also be exposed to risks associated with the locations of remote workers, including compliance with local laws and regulations or exposure to compromised internet infrastructure. Allowing members of our workforce to work remotely may create intellectual property risk if employees create intellectual property on our behalf while residing in a jurisdiction with unenforced or uncertain intellectual property laws. Further, if employees fail to inform us of changes in their work location, we may be exposed to additional risks without our knowledge. Remote working may also result in consumer, privacy, information technology and cybersecurity, and fraud risks.

Additionally, our reduction in workforce in May 2020 and remote work arrangements resulting from the COVID-19 pandemic caused us to recognize an impairment of certain of our real property lease arrangements, and depending on the duration and extent of the remote work arrangements under our Live and Work Anywhere working model, we may incur additional impairment charges related to our real property lease agreements.

Our transition to full or predominantly remote work environments also presents significant challenges to maintaining compliance with country and state requirements such as employee income tax withholding, the recording of reserves to cover withholding corrections or penalties, remittance and reporting, payroll registration, and workers’ compensation insurance. Additionally, foreign tax authorities may assert that certain of our entities have created permanent establishment in their countries which could result in additional corporate income taxes and employee payroll withholding obligations. Any of these operational challenges or tax implications resulting from our Live and Work Anywhere policy may materially adversely affect our business, results of operations, and financial condition.

Our business depends on attracting and retaining capable management and employees, and the loss of any key personnel could materially adversely affect our business, results of operations, and financial condition.

Our success depends in large part on our ability to attract and retain high-quality management and employees. Our founders and other members of our senior management team, as well as other employees, may terminate their employment with us at any time, which could materially adversely affect our business, results of operations, and financial condition.

As we continue to grow, we cannot guarantee that we will be able to attract and retain the personnel we need. Our business requires highly skilled technical, engineering, design, product, data analytics, marketing, business development, and community support personnel, including executive-level employees, who are in high demand and are often subject to competing offers. Competition for qualified employees and executive-level employees is intense in our industry and jurisdictions where we operate. The loss of qualified employees, or an inability to attract, retain, and motivate employees required for the planned expansion of our business would materially adversely affect our business, results of operations, and financial condition and impair our ability to grow.

To attract and retain key personnel, we use various measures, including an equity incentive program. As we continue to mature, the incentives to attract, retain, and motivate employees provided by our programs or by future arrangements may not be as effective as in the past. We have a number of current employees, including our founders, who hold equity in our company. As a result, it may be difficult for us to continue to retain and motivate these employees, and the value of their holdings could affect their decisions about whether or not they continue to work for us. Our ability to attract, retain, and motivate employees may be adversely affected by declines in our stock price. If we

issue significant equity to attract employees or to retain our existing employees, we would incur substantial additional stock-based compensation expense and the ownership of our existing stockholders would be further diluted.

Consumer use of devices and platforms other than desktop computers creates challenges. If we are unable to operate effectively on these platforms, our business, results of operations, and financial condition could be materially adversely affected.

People regularly access the Internet through mobile phones, tablets, handheld computers, voice-assisted speakers, television set-top devices, smart televisions, wearables, and automobile in-dash systems. These devices enable new modalities of interaction, such as conversational user interfaces, and new intermediaries, such as “super-apps” like WeChat, where consumers can use many online services without leaving a particular app. We anticipate that the use of these means of access will continue to grow and that usage through desktop computers will continue to decline, especially in certain regions of the world experiencing the highest rate of Internet adoption. The functionality and user experiences associated with these alternative devices, such as a smaller screen size or lack of a screen, may make the use of our platform through such devices more difficult than through a desktop computer, lower the use of our platform, and make it more difficult for our Hosts to upload content to our platform. In addition, consumer purchasing patterns can differ on alternative devices, and it is uncertain how the proliferation of mobile devices will impact the use of our platform and services. Mobile consumers may also be unwilling to download multiple apps from multiple companies providing similar services leading such consumers to opt to use one of our competitors’ services instead of ours. As a result, brand recognition and the consumer experience with our mobile apps will likely become increasingly important to our business. In addition, these new modalities create opportunities for device or systems companies, such as Amazon, Apple, and Google, to control the interaction with our consumers and disintermediate existing platforms such as ours.

We need to provide solutions for consumers who are limited in the size of the app they can support on their mobile devices and address latency issues in countries with lower bandwidth for both desktop and mobile devices. Because our platform contains data-intensive media, these issues are exacerbated. As new devices, operating systems, and platforms continue to be released, it is difficult to predict the problems we may encounter in adapting our offerings and features to them, and we may need to devote significant resources to the creation, support, and maintenance of our offerings and features.

Our success will also depend on the interoperability of our offerings with a range of third-party technologies, systems, networks, operating systems, and standards, including iOS and Android; the availability of our mobile apps in app stores and in “super-app” environments; and the creation, maintenance, and development of relationships with key participants in related industries, some of which may also be our competitors. In addition, if accessibility of various apps is limited by executive order or other government actions, the full functionality of devices may not be available to our customers. Moreover, third-party platforms, services and offerings are constantly evolving, and we may not be able to modify our platform to assure its compatibility with those of third parties. If we lose such interoperability, we experience difficulties or increased costs in integrating our offerings into alternative devices or systems, or manufacturers or operating systems elect not to include our offerings, make changes that degrade the functionality of our offerings, or give preferential treatment to competitive products, the growth of our community and our business, results of operations, and financial condition could be materially adversely affected. This risk may be exacerbated by the frequency with which consumers change or upgrade their devices. In the event consumers choose devices that do not already include or support our platform or do not install our mobile apps when they change or upgrade their devices, our traffic and Host and guest engagement may be harmed.

If we are unable to adapt to changes in technology and the evolving demands of Hosts and guests, our business, results of operations, and financial condition could be materially adversely affected.

The industries in which we compete are characterized by rapidly changing technology, evolving industry standards, consolidation, frequent new offering announcements, introductions, and enhancements, and changing consumer demands and preferences. We have invested heavily in our technology in recent years. Our future success will depend on our ability to adapt our platform and services to evolving industry standards and local preferences and to continually innovate and improve the performance, features, and reliability of our platform and services in response to competitive offerings and the evolving demands of Hosts and guests. Our future success will also depend on our ability to adapt to emerging technologies such as tokenization, cryptocurrencies, new authentication technologies, such as biometrics, distributed ledger and blockchain technologies, artificial intelligence, virtual and augmented reality, and cloud technologies. As a result, we intend to continue to spend significant resources maintaining, developing, and enhancing our technologies and platform; however, these efforts may be more costly than expected and may not be successful. For example, we may not make the appropriate investments in new technologies, which could materially adversely affect our business, results of operations, and financial condition. Further, technological innovation often results in unintended consequences such as bugs, vulnerabilities, and other system failures. Any such bug, vulnerability, or failure, especially in connection with a significant technical implementation or change, could result in lost business, harm to our brand or reputation, consumer complaints, and other adverse consequences, any of which could materially adversely affect our business, results of operations, and financial condition.

Another critical component to our future success will be our ability to integrate new or emerging payment methods into our platform to offer alternative payment solutions to consumers. Alternate payment providers such as Alipay, Paytm, and WeChat Pay operate closed-loop payments systems with direct connections to both consumers and merchants. In many regions, particularly in Asia where credit cards are not readily available and/or e-commerce is largely carried out through mobile devices, these and other emerging alternate payment methods are the exclusive or preferred means of payment for many consumers.

We are subject to payment-related fraud and an increase in or failure to deal effectively with fraud, fraudulent activities, fictitious transactions, or illegal transactions would materially adversely affect our business, results of operations, and financial condition.

We process a significant volume and dollar value of transactions on a daily basis. When Hosts do not fulfill their obligations to guests, there are fictitious listings or fraudulent bookings on our platform, or there are Host account takeovers, we have incurred and will continue to incur losses from claims by Hosts and guests, and these losses may be substantial. Such instances have and can lead to the reversal of payments received by us for such bookings, referred to as a “chargeback.” For the year ended December 31, 2022, total chargeback

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expense was \$119.6 million. The capabilities of criminal fraudsters, combined with individuals' susceptibility to fraud may cause our Hosts and guests to be subject to ongoing account takeovers and identity fraud issues. While we have taken measures to detect and reduce the risk of fraud, there is no guarantee that they will be successful and they require continuous improvement and optimization of continually evolving forms of fraud to be effective. Our ability to detect and combat fraudulent schemes, which have become increasingly common and sophisticated, could be adversely impacted by the adoption of new payment methods, the emergence and innovation of new technology platforms, including mobile and other devices, and our growth in certain regions, including in regions with a history of elevated fraudulent activity. We expect that technically-knowledgeable criminals will continue to attempt to circumvent our anti-fraud systems including through account takeovers and cybersecurity breaches. In addition, the payment card networks have rules around acceptable chargeback ratios. If we are unable to effectively combat fictitious listings and fraudulent bookings on our platform, combat the use of fraudulent or stolen credit cards, or otherwise maintain or lower our current levels of chargebacks, we may be subject to fines and higher transaction fees or be unable to continue to accept card payments because payment card networks have revoked our access to their networks, any of which would materially adversely impact our business, results of operations, and financial condition.

Our payments platform is susceptible to potentially illegal or improper uses, including money laundering, transactions in violation of economic and trade sanctions, corruption and bribery, terrorist financing, fraudulent listings, Host account takeovers, or the facilitation of other illegal activity. Use of our payments platform for illegal or improper uses has subjected us, and may subject us in the future, to claims, lawsuits, and government and regulatory investigations, inquiries, or requests, which could result in liability and reputational harm for us. We have taken measures to detect and reduce fraud and illegal activities, but these measures need to be continually improved and may add friction to our booking process. These measures may also not be effective against fraud and illegal activities, particularly new and continually evolving forms of circumvention. If these measures do not succeed in reducing fraud, our business, results of operations, and financial condition would be materially adversely affected.

Our payments operations are subject to extensive government regulation and oversight. Our failure to comply with extensive, complex, overlapping, and frequently changing laws, rules, regulations, policies, legal interpretations, and regulatory guidance could materially adversely affect our business, results of operations, and financial condition.

Our payments platform is subject to various laws, rules, regulations, policies, legal interpretations, and regulatory guidance, including those governing: cross-border and domestic money transmission and funds transfers; stored value and prepaid access; foreign exchange; data privacy, and data security; banking secrecy; payment services (including payment processing and settlement services); consumer protection; economic and trade sanctions; anti-corruption and anti-bribery; and anti-money laundering and counter-terrorist financing. As we expand and localize our international activities, we have and will become increasingly subject to the laws of additional countries or geographies. In addition, because we facilitate bookings on our platform worldwide, one or more jurisdictions may claim that we or our customers are required to comply with their laws. Laws regulating our payments platform outside of the United States often impose different, more specific, or even conflicting obligations on us, as well as broader liability. For example, certain transactions that may be permissible in a local jurisdiction may be prohibited by regulations of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") or U.S. anti-money laundering or counter-terrorist financing regulations.

We have assessed, and will continue to assess, the adequacy of our policies, procedures, and internal controls for ensuring compliance with applicable laws, rules, regulations, policies, legal interpretations, and regulatory guidance, including the ones described below. Through these assessments, we have identified, and may in the future identify, certain gaps or weaknesses in our existing compliance programs, including in our policies, procedures, or internal controls. As a result of findings from these assessments, we have and may in the future take certain actions, such as implementing enhancements to our compliance measures and amending, updating, or revising our policies, procedures, and internal controls, and other operational frameworks, designed to monitor for and ensure compliance with existing and new laws, rules, regulations, policies, legal interpretations, and regulatory guidance. Implementing appropriate measures to fully remediate or address findings from assessments of our compliance programs may require us to incur significant costs.

Any failure or perceived failure to comply with existing or new laws and regulations, including the ones described in this risk factor, or orders of any governmental authority, including changes to or expansion of their interpretations, may subject us to significant fines, penalties, criminal and civil lawsuits, forfeiture of significant assets, enforcement actions in one or more jurisdictions, result in additional compliance and licensure requirements, and increased regulatory scrutiny of our business. In addition, we may be forced to restrict or change our operations or business practices, make product changes, or delay planned product launches or improvements. Any of the foregoing could materially adversely affect our brand, reputation, business, results of operations, and financial condition. The complexity of global regulatory and enforcement regimes, coupled with the global scope of our operations and the evolving global regulatory environment, could result in a single event giving rise to a large number of overlapping investigations and legal and regulatory proceedings by multiple government authorities in different jurisdictions, and have an adverse impact on, or result in the termination of, our relationships with financial institutions and other service providers on whom we rely for payment processing services. Our ability to track and verify transactions to comply with these regulations, including the ones described in this risk factor, require a high level of internal controls. As our business continues to grow and regulations change, we must continue to strengthen our associated internal controls. Any failure to maintain the necessary controls could result in reputational harm and result in significant penalties and fines from regulators.

Payments Regulation

In the United States, our wholly-owned subsidiary, Airbnb Payments, Inc. ("Airbnb Payments"), is registered as a "Money Services Business" with the U.S. Department of Treasury's Financial Crimes Enforcement Network ("FinCEN"), and subject to regulatory oversight and enforcement by FinCEN under the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 (the "BSA"). Airbnb Payments has also obtained licenses to operate as a money transmitter (or its equivalent) in various states and territories where such licenses are required. As a licensed money transmitter, Airbnb Payments is subject to obligations and restrictions with respect to the handling and investment of customer funds, record keeping and reporting requirements, bonding requirements, and inspection by state regulatory agencies. In U.S. states and territories in which Airbnb Payments has not obtained a license to operate as a money transmitter (or its equivalent), we may be required to apply for licenses or regulatory approvals, including due to changes in applicable laws and regulations or their interpretations.

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We issue gift cards in the United States and in certain other geographies for use on our platform and are subject to consumer protection and disclosure regulations relating to those services. If we seek to expand our gift cards or other stored value card products and services, or as a result of regulatory changes, we may be subject to additional regulation and may be required to obtain additional licenses and registrations, which we may not be able to obtain.

We principally provide our payment services to Hosts and guests in the EEA through Airbnb Payments Luxembourg SA (“APLux”), our wholly-owned subsidiary that is licensed and subject to regulation as a payments institution in Luxembourg. EEA laws and regulations are typically subject to different and potentially inconsistent interpretations by the countries that are members of the EEA, which can make compliance more costly and operationally difficult to manage. For example, countries that are EEA members may each have different and potentially inconsistent domestic regulations implementing European Directives, including the European Union Payment Services Directive, the Revised Payment Services Directive (“PSD2”), the E-Money Directive, and the Fourth and Fifth Anti-Money Laundering Directives. Further, we provide our payments services to Hosts and guests in the United Kingdom and other geographies outside the United States and the EEA through Airbnb Payments UK Limited (“APUK”), our wholly-owned subsidiary that is licensed and subject to regulation as an electronic money institution (“EMI”) in the United Kingdom, as well as through our other wholly-owned payments entities.

PSD2 imposes new standards for payment security and strong customer authentication (aimed at fraud reduction) that may make it more difficult and time consuming to carry out a payment transaction. The United Kingdom began enforcing requirements with respect to online card payments in 2022, while countries in the EEA began enforcing these requirements in 2021. In many cases, strong customer authentication requires our UK and EEA guests to engage in additional steps to authenticate payment transactions and EEA Hosts to perform authentication upon access to their Airbnb payout account or modification of their payout account information. These additional authentication requirements may make our platform experience for Hosts and guests in the United Kingdom and EEA substantially less convenient, and such loss of convenience could meaningfully reduce the frequency with which our customers use our platform or could cause some Hosts and guests to stop using our platform entirely, which could materially adversely affect our business, results of operations, and financial condition.

In many countries or geographies, it is and may not be clear whether we are required to be licensed as a payment services provider, electronic money institution, financial institution, or otherwise. In such instances, we partner with local banks and licensed payment processors to process payments and conduct foreign exchange transactions in local currency. Local regulators may slow or halt payments to Hosts conducted through local banks and licensed payment processors or otherwise prohibit or impede us from doing business in a jurisdiction. We may be required to apply for various additional licenses, certifications, and regulatory approvals, including due to changes in applicable laws and regulations or their interpretations. There can be no assurance that we will be able to (or decide to) obtain any such licenses, certifications, and approvals.

There are substantial costs and potential changes to our offerings involved in obtaining, maintaining, and renewing licenses, certifications, and approvals globally. Our payments entities are subject to inspections, examinations, supervision, and regulation by each relevant regulating authority, including, within the United States, by each state in which Airbnb Payments is licensed. We could be subject to significant fines or other enforcement actions if we are found to violate disclosure, reporting, anti-money laundering, economic and trade sanctions, capitalization, fund management, corporate governance and internal controls, risk management, data privacy, data security and data localization, information security, banking secrecy, taxation, sanctions, or other laws and requirements, including those imposed on UK EMIs and Luxembourg payments institutions. These factors could involve considerable delay to the development or provision of our offerings or services, require significant and costly operational changes, impose restrictions, limitations, or additional requirements on our business, or prevent us from providing our offerings or services in a given geography.

Consumer Protection

We are subject to consumer protection laws and regulations in the U.S. and the countries from which we provide services. In the United States, the Dodd-Frank Act established the Consumer Financial Protection Bureau (the “CFPB”), which is empowered to conduct rulemaking and supervision related to, and enforcement of, federal consumer financial protection laws. We are subject to a number of such federal consumer financial protection laws and regulations, as well as related state consumer protection laws and regulations, including the Electronic Fund Transfer Act and its implementing Regulation E. Regulation E applies to certain services provided by Airbnb Payments and requires us to provide advance disclosure of changes to our services, follow specified error resolution procedures, and reimburse consumers for losses from certain transactions not authorized by the consumer, among other requirements. In addition, the CFPB may adopt other regulations governing consumer financial services, including regulations defining unfair, deceptive, or abusive acts or practices, and new model disclosures.

We could be subject to fines or other penalties if we are found to have violated the Dodd-Frank Act’s prohibition against unfair, deceptive, or abusive acts or practices or other consumer financial protection laws enforced by the CFPB or other agencies. The CFPB’s authority to change regulations adopted in the past by other regulators could increase our compliance costs and litigation exposure. Additionally, technical violations of consumer protection laws could result in the assessment of actual damages or statutory damages or penalties, including plaintiffs’ attorneys’ fees. The Dodd-Frank Act also empowers state attorneys general and other state officials to enforce federal consumer protection laws under specified conditions. Various government offices and agencies, including various state agencies and state attorneys general (as well as the CFPB and the U.S. Department of Justice), have the authority to conduct reviews, investigations, and proceedings (both formal and informal) involving us or our subsidiaries. These examinations, inquiries, and proceedings could result in, among other things, substantial fines, penalties, or changes in business practices that may require us to incur substantial costs.

We provide payment services that may be subject to various U.S. state and federal data privacy and data security laws and regulations. Relevant federal privacy and security laws include the GLBA, which (along with its implementing regulations) restricts certain collection, processing, storage, use, and disclosure of personal information, requires notice to individuals of privacy practices, and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also

impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. See our risk factor titled “— If we fail to comply with federal, state, and foreign laws relating to data privacy and data security, we may face potentially significant liability, negative publicity, an erosion of trust, and increased regulation could materially adversely affect our business, results of operations, and financial condition.”

In addition to UK and Luxembourg payments-related consumer protection laws that are applicable to our business, regulators in European Union member states could notify APUK and APLux of local consumer protection laws that apply to our businesses, and could also seek to persuade the UK and Luxembourg regulators to order APUK or APLux to conduct their activities in the local country directly or through a branch office. These or similar actions by these regulators could increase the cost of, or delay, our plans to expand our business in EU countries.

Anti-Money Laundering and Counter-Terrorist Financing

We are subject to various anti-money laundering and counter-terrorist financing laws and regulations around the world, including the BSA. Among other things, the BSA requires money services businesses (including money transmitters such as Airbnb Payments) to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity, and maintain transaction records. The BSA prohibits, among other things, our involvement in transferring the proceeds of criminal activities. In connection with and when required by regulatory requirements, we make information available to certain U.S. federal and state, as well as certain foreign, government agencies to assist in the prevention of money laundering, terrorist financing, and other illegal activities and pursuant to legal obligations and authorizations. In certain circumstances, we may be required by government agencies to deny transactions that may be related to persons suspected of money laundering, terrorist financing, or other illegal activities, and it is possible that we may inadvertently deny transactions from customers who are making legal money transfers. Regulators in the United States and globally may require us to further revise or expand our compliance programs, including the procedures we use to verify the identity of our customers and to monitor international and domestic transactions. In the United Kingdom and European Union, the implementation of further anti-money laundering requirements and regulations may make compliance more costly and operationally difficult to manage, lead to increased friction for customers, and result in a decrease in business. Penalties for non-compliance with the European Union's Fourth Anti-Money Laundering Directive (“MLD4”) could include fines of up to 10% of APLux's total annual turnover. In April 2018, the European Parliament adopted the European Commission's proposal for a Fifth Anti-Money Laundering Directive (“MLD5”), which has now been implemented in the national laws of EU Member States and which contains more stringent provisions in certain areas, which will increase compliance costs. Similar penalties are available to the UK Financial Conduct Authority in relation to APUK pursuant to the UK's implementation of the EU Money Laundering Directives in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017/692 (as amended).

We are subject to governmental economic and trade sanctions laws and regulations that limit the scope of our offering. Additionally, failure to comply with applicable economic and trade sanctions laws and regulations could subject us to liability and negatively affect our business, results of operations and financial condition.

We are required to comply with economic and trade sanctions administered by governments where we operate, including agencies of the U.S. government (including without limitation regulations administered and enforced by OFAC, the U.S. Department of State, and the U.S. Commerce Department), the Council of the European Union, the Office of Financial Sanctions Implementation of His Majesty's Treasury in the United Kingdom (“OFSI”) and the Ministry of Finance and Commission de Surveillance du Secteur Financier of Luxembourg. These economic and trade sanctions generally prohibit or restrict transactions to or from or dealings with certain specified countries, regions, governments and, in certain circumstances, their nationals, and with individuals and entities that are specially-designated, such as individuals and entities included on OFAC's List of Specially Designated Nationals and Blocked Persons (“SDN List”), subject to EU/UK asset freezes, or other sanctions measures. Any future economic and trade sanctions imposed in jurisdictions where we have significant business could materially adversely impact our business, results of operations, and financial condition. Our ability to track and verify transactions and otherwise to comply with these regulations require a high level of internal controls. We maintain policies and procedures to implement these internal controls, which we periodically assess and update to the extent we identify compliance gaps. We routinely report to OFAC on payments we have rejected or blocked pursuant to OFAC sanctions regulations and on possible violations of those regulations. We have also reported to OFSI on dealings with persons subject to UK sanctions and to the Luxembourg Ministry of Finance on dealings with persons subject to EU sanctions. There is a risk that, despite the internal controls that we have in place, we have engaged in transactions inconsistent with applicable sanctions laws. Any non-compliance with economic and trade sanctions laws and regulations or related investigations could result in claims or actions against us and materially adversely affect our business, results of operations, and financial condition. As our business continues to grow and regulations change, we may be required to make additional investments in our internal controls or modify our business.

As a result of Russia's military action in Ukraine in 2022, governmental authorities in the United States, the European Union, and the United Kingdom, among others, launched an expansion of coordinated sanctions and export control measures, including sanctions against certain individuals and entities and prohibiting or limiting certain financial and commercial transactions. We had identified certain transactions that potentially implicated those sanctions, we notified the appropriate regulators about these developments, and OFAC initiated a civil investigation of certain payment instructions involving attempted payouts to Hosts' bank accounts at sanctioned Russian banks. In August 2022, OFAC closed the investigation by issuing a cautionary letter with no administrative penalty.

We are subject to payment network rules and any material modification of our payment card acceptance privileges could have a material adverse effect on our business, results of operations, and financial condition.

The loss of our credit and debit card acceptance privileges or the significant modification of the terms under which we obtain card acceptance privileges would significantly limit our business model since a vast majority of our guests pay using credit or debit cards. We are required by our payment processors to comply with payment card network operating rules, including the Payment Card Industry Data Security Standards (the “PCI DSS”). Under the PCI DSS, we are required to adopt and implement internal controls over the use, storage, and

transmission of card data to help prevent credit card fraud. If we fail to comply with the rules and regulations adopted by the payment card networks, including the PCI DSS, we would be in breach of our contractual obligations to payment processors and merchant banks. Such failure to comply may damage our relationships with payment card networks, subject us to restrictions, fines, penalties, damages, and civil liability, and could eventually prevent us from processing or accepting payment cards, which would have a material adverse effect on our business, results of operations, and financial condition. Moreover, the payment card networks could adopt new operating rules or interpret or reinterpret existing rules that we or our payment processors might find difficult or even impossible to comply with, or costly to implement. As a result, we could lose our ability to give consumers the option of using payment cards to make their payments or the choice of currency in which they would like their payment card to be charged. Further, there is no guarantee that, even if we comply with the rules and regulations adopted by the payment card networks, we will be able to maintain our payment card acceptance privileges. We also cannot guarantee that our compliance with network rules or the PCI DSS will prevent illegal or improper use of our payments platform or the theft, loss, or misuse of the credit card data of customers or participants, or a security breach. We are also required to submit to periodic audits, self-assessments, and other assessments of our compliance with the PCI DSS. If an audit, self-assessment, or other assessment indicates that we need to take steps to remediate any deficiencies, such remediation efforts may distract our management team and require us to undertake costly and time-consuming remediation efforts, and we could lose our payment card acceptance privileges.

We are also subject to network operating rules and guidelines promulgated by the National Automated Clearing House Association ("NACHA") relating to payment transactions we process using the Automated Clearing House ("ACH") Network. Like the payment networks, NACHA may update its operating rules and guidelines at any time, which can require us to take more costly compliance measures or to develop more complex monitoring systems.

We rely on third-party payment service providers to process payments made by guests and payments made to Hosts on our platform. If these third-party payment service providers become unavailable or we are subject to increased fees, our business, results of operations, and financial condition could be materially adversely affected.

We rely on a number of third-party payment service providers, including payment card networks, banks, payment processors, and payment gateways, to link us to payment card and bank clearing networks to process payments made by our guests and to remit payments to Hosts on our platform. We have agreements with these providers, some of whom are the sole providers of their particular service.

If these companies become unwilling or unable to provide these services to us on acceptable terms or at all, our business may be disrupted, we would need to find an alternate payment service provider, and we may not be able to secure similar terms or replace such payment service provider in an acceptable time frame. If we are forced to migrate to other third-party payment service providers for any reason, the transition would require significant time and management resources, and may not be as effective, efficient, or well-received by our Hosts and guests. Any of the foregoing could cause us to incur significant losses and, in certain cases, require us to make payments to Hosts out of our funds, which could materially adversely affect our business, results of operations, and financial condition.

In addition, the software and services provided by our third-party payment service providers may fail to meet our expectations, contain errors or vulnerabilities, be compromised, or experience outages. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions or make timely payments to Hosts on our platform, which could make our platform less convenient and desirable to customers and adversely affect our ability to attract and retain Hosts and guests.

Moreover, our agreements with payment service providers may allow these companies, under certain conditions, to hold an amount of our cash as a reserve. They may be entitled to a reserve or suspension of processing services upon the occurrence of specified events, including material adverse changes in our business, results of operations, and financial condition. An imposition of a reserve or suspension of processing services by one or more of our processing companies, could have a material adverse effect on our business, results of operations, and financial condition.

If we fail to invest adequate resources into the payment processing infrastructure on our platform, or if our investment efforts are unsuccessful or unreliable, our payments activities may not function properly or keep pace with competitive offerings, which could adversely impact their usage. Further, our ability to expand our payments activities into additional countries is dependent upon the third-party providers we use to support these activities. As we expand the availability of our payments activities to additional geographies or offer new payment methods to our Hosts and guests in the future, we may become subject to additional regulations and compliance requirements, and exposed to heightened fraud risk, which could lead to an increase in our operating expenses.

For certain payment methods, including credit and debit cards, we pay interchange and other fees, and such fees result in significant costs. Payment card network costs have increased, and may continue to increase in the future, the interchange fees and assessments that they charge for each transaction that accesses their networks, and may impose special fees or assessments on any such transaction. Our payment card processors have the right to pass any increases in interchange fees and assessments on to us. Credit card transactions result in higher fees to us than transactions made through debit cards. Any material increase in interchange fees in the United States or other geographies, including as a result of changes in interchange fee limitations imposed by law in some geographies, or other network fees or assessments, or a shift from payment with debit cards to credit cards could increase our operating costs and materially adversely affect our business, results of operations, and financial condition.

Our failure to properly manage funds held on behalf of customers could materially adversely affect our business, results of operations, and financial condition.

We offer integrated payments in over 40 currencies to allow access to guest demand from more than 220 countries and regions and the ability for many Hosts to be paid in their local currency or payment method of choice. When a guest books and pays for a stay or experience on our platform, we hold the total amount the guest has paid until check-in, at which time we recognize our service fee as revenue and initiate the process to remit the payment to the Host, which generally occurs 24 hours after the scheduled check-in, barring any alterations or cancellations, which may result in funds being returned to the guest. Accordingly, at any given time, we hold on behalf of our Hosts and

guests a substantial amount of funds, which are generally held in bank deposit accounts and in U.S. treasury bills and recorded on our consolidated balance sheets as funds receivable and amounts held on behalf of customers. In certain jurisdictions, we are required to either safeguard customer funds in bankruptcy-remote bank accounts, or hold such funds in eligible liquid assets, as defined by the relevant regulators in such jurisdictions, equal to at least 100% of the aggregate amount held on behalf of customers. Our ability to manage and account accurately for the cash underlying our customer funds requires a high level of internal controls. As our business continues to grow and we expand our offerings and tiers, we must continue to strengthen our associated internal controls. Our success requires significant public confidence in our ability to handle large and growing transaction volumes and amounts of customer funds. Any failure to maintain the necessary controls or to manage the assets underlying our customer funds accurately could result in reputational harm, lead customers to discontinue or reduce their use of our platform and services, and result in significant penalties and fines from regulators, each of which could materially adversely affect our business, results of operations, and financial condition.

If one or more of our counterparty financial institutions default on their financial or performance obligations to us or fail, we may incur significant losses or be unable to process payment transactions.

We have significant amounts of cash, cash equivalents, and other investments, including money market funds, certificates of deposit, U.S. government debt securities, commercial paper, corporate debt securities, government agency debt securities, mortgaged-backed and asset-backed securities, with banks or other financial institutions in the United States and abroad for both our corporate balances and for funds held on behalf of our Hosts and guests. We also rely on such banks and financial institutions to help process payments transactions. We have both significant funds flows from and to various financial institutions as a result of our processing of payments from guests to Hosts. As part of our currency hedging activities on these balances, we enter into transactions involving derivative financial instruments with various financial institutions. We regularly monitor our exposure to counterparty credit risk and manage this exposure in an attempt to mitigate the associated risk. Despite these efforts, we may be exposed to the risk of default by, or deteriorating operating results or financial condition, or service interruptions at, or failure of, these counterparty financial institutions. If one of our counterparties were to become insolvent or file for bankruptcy, our ability to recover losses or to access or recover our assets may be limited by the counterparty's liquidity or the applicable laws governing the insolvency or bankruptcy proceedings. Furthermore, our ability to process payment transactions via such counterparties would be severely limited or cease. In the event of default or failure of one or more of our counterparties, we could incur significant losses and be required to make payments to Hosts and/or refunds to guests out of our own funds, which could materially adversely affect our results of operations and financial condition.

The failure to successfully execute and integrate acquisitions could materially adversely affect our business, results of operations, and financial condition.

We have acquired multiple businesses, including our acquisitions of HotelTonight, Inc. and UrbanDoor Inc. in 2019, and we regularly evaluate potential acquisitions. We may expend significant cash or incur substantial debt to finance such acquisitions, which indebtedness could result in restrictions on our business and significant use of available cash to make payments of interest and principal. In addition, we may finance acquisitions by issuing equity or convertible debt securities, which could result in further dilution to our existing stockholders. We may enter into negotiations for acquisitions that are not ultimately consummated. Those negotiations could result in diversion of management time and significant out-of-pocket costs. If we fail to evaluate and execute acquisitions successfully, our business, results of operations, and financial condition could be materially adversely affected.

In addition, we may not be successful in integrating acquisitions or the businesses we acquire may not perform as well as we expect. While our acquisitions to date have not caused major disruptions in our business, any future failure to manage and successfully integrate acquired businesses could materially adversely affect our business, results of operations, and financial condition. Acquisitions involve numerous risks, including the following:

- difficulties in integrating and managing the combined operations, technology platforms, or offerings of the acquired companies and realizing the anticipated economic, operational, and other benefits in a timely manner, which could result in substantial costs and delays, and failure to execute on the intended strategy and synergies;
- failure of the acquired businesses to achieve anticipated revenue, earnings, or cash flow;
- diversion of management's attention or other resources from our existing business;
- our inability to maintain the key customers, business relationships, suppliers, and brand potential of acquired businesses;
- uncertainty of entry into businesses or geographies in which we have limited or no prior experience or in which competitors have stronger positions;
- unanticipated costs associated with pursuing acquisitions or greater than expected costs in integrating the acquired businesses;
- responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed our estimates, such as liabilities arising out of the failure to maintain effective data protection and privacy controls, and liabilities arising out of the failure to comply with applicable laws and regulations, including tax laws;
- difficulties in or costs associated with assigning or transferring to us or our subsidiaries the acquired companies' intellectual property or its licenses to third-party intellectual property;
- inability to maintain our culture and values, ethical standards, controls, procedures, and policies;
- challenges in integrating the workforce of acquired companies and the potential loss of key employees of the acquired companies;
- challenges in integrating and auditing the financial statements of acquired companies that have not historically prepared financial statements in accordance with GAAP; and
- potential accounting charges to the extent goodwill and intangible assets recorded in connection with an acquisition, such as trademarks, customer relationships, or intellectual property, are later determined to be impaired and written down in value.

The value of our equity investments in private companies could decline, which could materially adversely affect our results of operations and financial condition.

Our equity investments in private companies where we do not have the ability to exercise significant influence are accounted for using the measurement alternative. Such investments are carried at cost, less any impairments, and are adjusted for subsequent observable price changes, with such changes in value recognized in other income (expense), net in our consolidated statements of operations. Additionally, for our equity investments in private companies where we have the ability to exercise significant influence, but not control, we record our proportionate share of net income or loss in other income (expense), net in our consolidated statements of operations. The financial statements provided by these companies are often unaudited. Our investments in private companies are inherently risky, including early-stage companies with limited cash to support their operations and companies whose results are negatively impacted by downturns in the travel industry. The companies in which we invest include early-stage companies that may still be developing products and services with limited cash to support the development, marketing, and sales of their products. Further, our ability to liquidate such investments is typically dependent on a liquidity event, such as a public offering or acquisition, as no public market currently exists for the securities held in the investees. Valuations of privately-held companies are inherently complex and uncertain due to the lack of a liquid market for the securities of such companies. If we determine that any of our investments in such companies have experienced a decline in value, we will recognize an expense to adjust the carrying value to its estimated fair value. Negative changes in the estimated fair value of private companies in which we invest could have a material adverse effect on our results of operations and financial condition.

If we do not adequately protect our intellectual property and our data, our business, results of operations, and financial condition could be materially adversely affected.

We hold a broad collection of intellectual property rights, including those related to our brand; certain content and design elements on our platform; our code and our data; inventions and processes related to our platform, services, and research and development efforts; an extensive repository of wholly-owned audio and visual assets; marketing and promotional concepts and materials; a collection of editorial content; and certain entertainment-related assets. This includes registered domain names, registered and unregistered trademarks, service marks, and copyrights, patents, and patent applications, trade secrets, licenses of intellectual property rights of various kinds, and other forms of intellectual property rights in the United States and in a number of countries around the world. In addition, to further protect our proprietary rights, from time to time we have purchased patents, trademarks, domain name registrations, and copyrights from third parties. In the future we may acquire or license additional patents or patent portfolios, or other intellectual property assets and rights from third parties, which could require significant cash expenditures.

We rely on a combination of trademark, patent, copyright, and trade secret laws, international treaties, our terms of service, other contractual provisions, user policies, restrictions on disclosure, technological measures, and confidentiality and inventions assignment agreements with our employees and consultants to protect our intellectual property assets from infringement and misappropriation. Our pending and future trademark, patent, and copyright applications may not be approved. Furthermore, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. There can be no assurance that others will not offer technologies, products, services, features, or concepts that are substantially similar to ours and compete with our business, or copy or otherwise obtain, disclose and/or use our brand, content, design elements, creative, editorial, and entertainment assets, or other proprietary information without authorization. We may be unable to prevent third parties from seeking to register, acquire, or otherwise obtain trademarks, service marks, domain names, or social media handles that are similar to, infringe upon or diminish the value of our trademarks, service marks, copyrights, and our other proprietary rights. Third parties have also obtained or misappropriated certain of our data through website scraping, robots, or other means to launch copycat sites, aggregate our data for their internal use, or to feature or provide our data through their respective websites, and/or launch businesses monetizing this data. While we routinely employ technological and legal measures in an attempt to divert, halt, or mitigate such operations, we may not always be able to detect or halt the underlying activities as technologies used to accomplish these operations continue to rapidly evolve.

Our intellectual property assets and rights are essential to our business. If the protection of our proprietary rights and data is inadequate to prevent unauthorized use or misappropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our technologies, offerings, or features or methods of operations. Even if we do detect violations or misappropriations and decide to enforce our rights, litigation may be necessary to enforce our rights, and any enforcement efforts we undertake could be time-consuming and expensive, could divert our management's attention, and may result in a court determining that certain of our intellectual property rights are unenforceable. If we fail to protect our intellectual property and data in a cost-effective and meaningful manner, our competitive standing could be harmed; our Hosts, guests, other consumers, and corporate and community partners could devalue the content of our platform; and our brand, reputation, business, results of operations, and financial condition could be materially adversely affected.

We have been, and may in the future be, subject to claims that we or others violated certain third-party intellectual property rights, which, even where meritless, can be costly to defend and could materially adversely affect our business, results of operations, and financial condition.

The Internet and technology industries are characterized by significant creation and protection of intellectual property rights and by frequent litigation based on allegations of infringement, misappropriation, or other violations of such intellectual property rights. There may be intellectual property rights held by others, including issued or pending patents, trademarks, and copyrights, and applications of the foregoing, that they allege cover significant aspects of our platform, technologies, content, branding, or business methods. Moreover, companies in the Internet and technology industries are frequent targets of practicing and non-practicing entities seeking to profit from royalties in connection with grants of licenses. Like many other companies in the Internet and technology industries, we sometimes enter into agreements which include indemnification provisions related to intellectual property which can subject us to costs and damages in the event of a claim against an indemnified third party.

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We have received in the past, and may receive in the future, communications from third parties, including practicing and non-practicing entities, claiming that we have infringed, misused, or otherwise misappropriated their intellectual property rights, including alleged patent infringement. Additionally, we have been, and may in the future be, involved in claims, suits, regulatory proceedings, and other proceedings involving alleged infringement, misuse, or misappropriation of third-party intellectual property rights, or relating to our intellectual property holdings and rights. While a number of the infringement claims raised against us have been based on our use or implementation of third-party technologies for which those third parties have been required to defend against the claims on our behalf and indemnify us from liability, intellectual property claims against us, regardless of merit, could be time consuming and expensive to litigate or settle, and could divert our management's attention and other resources.

Claims involving intellectual property could subject us to significant liability for damages and could result in our having to stop using certain technologies, content, branding, or business methods found to be in violation of another party's rights. We might be required or may opt to seek a license for rights to intellectual property held by others, which may not be available on commercially reasonable terms, or at all. Even if a license is available, we could be required to pay significant royalties, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, content, branding, or business methods, which could require significant effort and expense and make us less competitive. Any of these results could materially adversely affect our ability to compete and our business, results of operations, and financial condition.

We may introduce new offerings or changes to existing offerings or make other business changes, including in areas where we currently do not compete, which could increase our exposure to patent, copyright, trademark, and other intellectual property rights claims from competitors, other practicing entities, and non-practicing entities. Similarly, our exposure to risks associated with various intellectual property claims may increase as a result of acquisitions of other companies. Third parties may make infringement and similar or related claims after we have acquired a company or technology that had not been asserted prior to the acquisition.

Our use of third party open source software and our open source contributions could adversely affect our ability to offer or protect our platform and services and subject us to costly litigation and other disputes.

We have in the past incorporated and may in the future incorporate certain open source software into our code base as we continue to develop our platform and services. Open source software is licensed by its authors or owners under open source licenses, which in some instances may subject us to certain unfavorable conditions, including requirements that we offer our products that incorporate the open source software for no cost, that we make publicly available the source code for any modifications or derivative works we create based upon, incorporating or using the open source software, or that we license such modifications or derivative works under the terms of the particular open source license. In addition, the use of third-party open source software could expose us to greater risks than the use of third-party commercial software to the extent open-source licensors do not provide warranties or controls on the functionality or origin of the software equivalent to those provided by third-party commercial software providers. We also license to others some of our software through open source projects. Open sourcing our own software requires us to make the source code publicly available, and therefore can limit our ability to protect our intellectual property rights with respect to that software. From time to time, companies that use open source software have faced claims challenging the use of open source software or compliance with open source license terms. Furthermore, there is an increasing number of open-source software license types, almost none of which have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. We could be subject to suits by parties claiming ownership of what we believe to be open source software or claiming noncompliance with open source licensing terms.

Inadvertent use of open source software can occur in software development in the Internet and technology industries. Such inadvertent use of open source software could expose us to claims of non-compliance with the applicable terms of the underlying licenses, which could lead to unforeseen business disruptions, including being restricted from offering parts of our product which incorporate the software, being required to publicly release proprietary source code, being required to re-engineer parts of our code base to comply with license terms, or being required to extract the open source software at issue. Our exposure to these risks may be increased as a result of evolving our core source code base, introducing new offerings, integrating acquired-company technologies, or making other business changes, including in areas where we do not currently compete. Any of the foregoing could adversely impact the value or enforceability of our intellectual property, and materially adversely affect our business, results of operations, and financial condition.

We have operations in countries known to experience high levels of corruption and any violation of anti-corruption laws could subject us to penalties and other adverse consequences.

We are subject to anti-corruption laws and regulations including the U.S. Foreign Corrupt Practices Act ("FCPA") and other laws in the United States and elsewhere that prohibit improper payments or offers of payments to foreign governments and their officials, political parties, state-owned or controlled enterprises, and/or private entities and individuals for the purpose of obtaining or retaining business. We have operations in and deal with countries known to experience corruption. Our activities in these countries create the risk of unauthorized payments or offers of payments by one of our employees, contractors, agents, or users that could be in violation of various laws, including the FCPA and anti-corruption and anti-bribery laws in these countries. We have implemented policies, procedures, systems, and controls designed to ensure compliance with applicable laws and to discourage corrupt practices by our employees, consultants, and agents, and to identify and address potentially impermissible transactions under such laws and regulations; however, our existing and future safeguards, including training and compliance programs to discourage corrupt practices by such parties, may not prove effective, and we cannot ensure that all such parties, including those that may be based in or from countries where practices that violate U.S. or other laws may be customary, will not take actions in violation of our policies, for which we may be ultimately responsible. Additional compliance requirements may require us to revise or expand our compliance programs, including the procedures we use to monitor international and domestic transactions. Failure to comply with any of these laws and regulations may result in extensive internal or external investigations as well as significant financial penalties and reputational harm, which could materially adversely affect our business, results of operations, and financial condition.

Any escalation or unexpected change in circumstances in the ongoing military action between Russia and Ukraine, or sanctions, export controls, and similar measures in response to the conflict, could materially adversely affect our business, results of operations, and financial condition.

We are actively monitoring the situation in Ukraine and assessing its impact on our business. We have suspended all operations in Russia and Belarus and certain regions of Ukraine, which is not expected to have a material impact on our operating results. However, any escalation in the conflict or unexpected change in circumstances could adversely impact the demand for travel in the region or beyond and could have a material adverse impact on our business, results of operations, and financial condition.

Our focus on the long-term best interests of our company and our consideration of all of our stakeholders, including our Hosts, guests, the communities in which we operate, employees, shareholders, and other stakeholders that we may identify from time to time, may conflict with short- or medium-term financial interests and business performance, which may negatively impact the value of our Class A common stock.

We believe that focusing on the long-term best interests of our company and our consideration of all of our stakeholders, including our Hosts, guests, the communities in which we operate, employees, shareholders, and other stakeholders we may identify from time to time, is essential to the long-term success of our company and to long-term shareholder value. Therefore, we have made decisions, and may in the future make decisions, that we believe are in the long-term best interests of our company and our shareholders, even if such decisions may negatively impact the short- or medium-term performance of our business, results of operations, and financial condition or the short- or medium-term performance of our Class A common stock. Our commitment to pursuing long-term value for the company and our shareholders, potentially at the expense of short- or medium-term performance, may materially adversely affect the trading price of our Class A common stock, including by making owning our Class A common stock less appealing to investors who are focused on returns over a shorter time horizon. Our decisions and actions in pursuit of long-term success and long-term shareholder value, which may include changes to our platform to enhance the experience of our Hosts, guests, and the communities in which we operate, including by improving the trust and safety of our platform, changes in the manner in which we deliver community support, investing in our relationships with our Hosts, guests, and employees, investing in and introducing new products and services, or changes in our approach to working with local or national jurisdictions on laws and regulations governing our business, may not result in the long-term benefits that we expect, in which case our business, results of operations, and financial condition, as well as the trading price of our Class A common stock, could be materially adversely affected.

Risks Related to Ownership of Our Class A Common Stock

Our share price has been, and may continue to be, volatile, and the value of our Class A common stock may decline.

The market price of our Class A common stock has been, and may continue to be, volatile and could be subject to wide fluctuations in response to the risk factors described in this Annual Report on Form 10-K, and others beyond our control, including:

- actual or anticipated fluctuations in our revenue or other operating metrics;
- our actual or anticipated operating performance and the operating performance of our competitors;
- changes in the financial projections we provide to the public or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors;
- any major change in our board of directors, management, or key personnel;
- the economy as a whole and market conditions in our industry;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, new products, services, features, integrations, or capabilities, acquisitions, strategic investments, partnerships, joint ventures, or capital commitments;
- the legal and regulatory landscape and changes in the application of existing laws or adoption of new laws that impact our business, Hosts, and/or guests, including changes in short-term occupancy and tax laws;
- legal and regulatory claims, litigation, or pre-litigation disputes and other proceedings;
- the COVID-19 pandemic and its impact on the travel and accommodations industries;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events; and
- sales or expected sales of our Class A common stock by us, our officers, directors, principal stockholders, and employees.

In addition, stock markets, and the trading of travel companies' and technology companies' stocks in particular, have experienced significant price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies, including travel companies and technology companies, have fluctuated in a manner often unrelated to the operating performance of those companies. These fluctuations may be even more pronounced in the trading market for our Class A common stock following our recent initial public offering as a result of the supply and demand forces for newly public companies. In the past, stockholders have instituted securities class action litigation following periods of stock volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and materially adversely affect our business, results of operations, and financial condition.

The multi-series structure of our common stock has the effect of concentrating voting control with certain holders of our common stock, including our directors, executive officers, and 5% stockholders, and their respective affiliates, who held in the aggregate 92.1% of the voting power of our capital stock as of December 31, 2022. This ownership will limit or preclude other stockholders' ability to influence corporate matters, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval.

Our Class A common stock has one vote per share, our Class B common stock has 20 votes per share, our Class C common stock has no votes per share, and our Class H common stock has no votes per share. As of December 31, 2022, the holders of our outstanding Class B common stock beneficially owned 34.8% of our outstanding capital stock and held 91.6% of the voting power of our outstanding capital stock, with our directors, executive officers, and holders of more than 5% of our common stock, and their respective affiliates, beneficially owning 38.5% of our outstanding capital stock and holding 92.1% of the voting power of our outstanding capital stock. Because of the 20-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively continue to control a significant percentage of the combined voting power of our common stock and therefore are able to control all matters submitted to our stockholders for approval until all such outstanding shares of Class B common stock have converted into shares of our Class A common stock. Furthermore, our founders, who collectively held 73.9% of the voting power of our outstanding capital stock as of December 31, 2022, are party to a Voting Agreement under which each founder and his affiliates and certain other entities agree to vote their shares for the election of each individual founder to our board of directors. We and each of our founders are party to a Nominating Agreement under which we and the founders are required to take certain actions to include the founders in the slate of nominees nominated by our board of directors for the applicable class of directors, include them in our proxy statement, and solicit proxies or consents in favor of electing each founder to our board of directors. This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that stockholders may believe are in their best interest.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes or transfers among our founders, if all of our founders agree to such transfers. Each share of our Class B common stock is convertible at any time at the option of the Class B holder into one share of Class A common stock. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. As a result, it is possible that one or more of the persons or entities holding our Class B common stock could gain significant voting control as other holders of Class B common stock sell or otherwise convert their shares into Class A common stock. In addition, the conversion of Class B common stock to Class A common stock would dilute holders of Class A common stock in terms of voting power within the Class A common stock. In addition, any future issuances of common stock would be dilutive to holders of Class A common stock. For example, because our Class C common stock carries no voting rights (except as otherwise required by law), if we issue Class C common stock in the future, the holders of Class B common stock may be able to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders for a longer period of time than would be the case if we issued Class A common stock rather than Class C common stock in such transactions. Further, each outstanding share of Class H common stock will convert into a share of Class A common stock on a share-for-share basis upon the sale of such share of Class H common stock to any person or entity that is not our subsidiary, which would dilute holders of Class A common stock in terms of voting power within the Class A common stock.

Our multi-series structure may have a material adverse effect on the market price of our Class A common stock.

Our multi-series structure may result in a lower or more volatile market price of our Class A common stock, in adverse publicity, or other adverse consequences. For example, certain index providers, such as S&P Dow Jones, have announced restrictions on including companies with multiple-class share structures in certain of their indices, including the S&P 500. Accordingly, the multi-series structure of our common stock makes us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track those indices may not invest in our Class A common stock. These policies are relatively new and it is unclear what effect, if any, they will have on the valuations of publicly-traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. Because of the multi-class structure of our common stock, we will likely be excluded from certain indices and we cannot assure that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

Future sales of our common stock in the public market could cause our share price to fall.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur in large quantities, could cause the market price of our Class A common stock to decline and could impair our ability to raise capital through the sale of additional equity securities. As of December 31, 2022, we had 408,288,511 shares of Class A common stock outstanding, 222,694,817 shares of Class B common stock outstanding, no shares of Class C common stock outstanding, and 9,200,000 shares of Class H common stock outstanding.

Certain holders of shares of our common stock, options to purchase shares of our common stock, and warrants to purchase shares of our common stock have rights, subject to some conditions, to require us to file registration statements for the public resale of the Class A common stock issuable upon conversion of such shares or to include such shares in registration statements that we may file for us or other stockholders. Any registration statement we file to register additional shares, whether as a result of registration rights or otherwise, could cause the market price of our Class A common stock to decline or be volatile.

Further, as of December 31, 2022, we had 22.0 million options outstanding and 34.4 million shares of Class A common stock issuable upon vesting of outstanding RSUs, which have been registered on Form S-8 under the Securities Act. These shares can be freely sold in the public market upon issuance, subject to applicable vesting requirements, compliance by affiliates with Rule 144, and other restrictions provided under the terms of the applicable plan and/or the award agreements entered into with participants. In addition, we filed a registration statement and may in the future file registration statements covering shares of our common stock issued pursuant to our equity incentive plans permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

Sales, short sales, or hedging transactions involving our equity securities, whether or not we believe them to be prohibited, could adversely affect the price of our Class A common stock.

In November 2020, we issued 9,200,000 shares of our Class H common stock to our Host Endowment Fund and we have announced our intention to donate 400,000 shares of our Class A common stock to a charitable foundation, each of which has resulted or will result in substantial dilution to our existing stockholders. We may issue our shares of common stock or securities convertible into our common stock from time to time in connection with financings, acquisitions, investments, or otherwise. Any such issuance and any issuance of Class A common stock upon the conversion of Class B or Class H common stock could result in substantial dilution to our existing stockholders and cause the trading price of our Class A common stock to decline. See also our risk factor titled “— Future sales and issuances of our Class A common stock or rights to purchase our Class A common stock, including pursuant to our equity incentive plans, or other equity securities or securities convertible into our Class A common stock, could result in additional dilution of the percentage ownership of our stockholders and could cause the stock price of our Class A common stock to decline.”

We cannot guarantee that our share repurchase program will be utilized to the full value approved or that it will enhance long-term stockholder value.

In August 2022, our Board authorized a share repurchase program authorizing the purchase of up to \$2.0 billion of our Class A common stock at management's discretion. During 2022, we repurchased 13.8 million shares of common stock for \$1.5 billion. Share repurchases may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades or accelerated share repurchase transactions or by any combination of such methods. Any such repurchases will be made from time to time subject to market and economic conditions, applicable legal requirements and other relevant factors. The manner, timing and amount of any share repurchases may fluctuate and will be determined by us based on a variety of factors, including the market price of our common stock, our priorities for the use of cash to support our business operations and plans, general business and market conditions, tax laws, and alternative investment opportunities, all of which may be further impacted by macroeconomic conditions and factors, including rising interest rates, and inflation, global conflicts, and the ongoing COVID-19 pandemic. Our share repurchase program authorization does not have an expiration date nor does it obligate us to acquire any specific number or dollar value of shares. Our share repurchase program may be modified, suspended or terminated at any time, which may result in a decrease in the trading prices of our common stock. Additionally, the Inflation Reduction Act of 2022 introduced a 1% excise tax on share repurchases, which would increase the costs associated with repurchasing shares of our common stock. Even if our share repurchase program is fully implemented, it may not enhance long-term stockholder value or may not prove to be the best use of our cash. Share repurchases could have an impact on our share trading prices, increase the volatility of the price of our common stock, or reduce our available cash balance such that we will be required to seek financing to support our operations.

Under our restated certificate of incorporation, we are authorized to issue 2,000,000,000 shares of Class C common stock. Any future issuance of Class C common stock may have the effect of further concentrating voting control in our Class B common stock, including the Class B common stock held by our founders, and may discourage potential acquisitions of our business, and could have an adverse effect on the trading price of our Class A common stock.

Under our restated certificate of incorporation, we are authorized to issue 2,000,000,000 shares of Class C common stock. Although we have no current plans to issue any shares of Class C common stock, we may in the future issue shares of Class C common stock for a variety of corporate purposes, including financings, acquisitions, investments, and equity incentives to our employees, consultants, and directors. Our authorized but unissued shares of Class C common stock are available for issuance with the approval of our board of directors without stockholder approval, except as may be required by the Listing Rules of The Nasdaq Stock Market LLC (“Nasdaq”). Because the Class C common stock carries no voting rights (except as otherwise required by law), is not convertible into any other capital stock, and is not listed for trading on an exchange or registered for sale with the SEC, shares of Class C common stock may be less liquid and less attractive to any future recipients of these shares than shares of Class A common stock, although we may seek to list the Class C common stock for trading and register shares of Class C common stock for sale in the future. In addition, because our Class C common stock carries no voting rights (except as otherwise required by law), if we issue shares of Class C common stock in the future, the holders of our Class B common stock, including our founders who are parties to a Nominating Agreement and a Voting Agreement, may be able to elect all of our directors and to determine the outcome of most matters submitted to a vote of our stockholders for a longer period of time than would be the case if we issued Class A common stock rather than Class C common stock in such transactions. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, takeover, or other business combination involving us that stockholders may otherwise support, and could allow us to take actions that some of our stockholders do not view as beneficial, which could reduce the trading price of our Class A common stock. Furthermore, this concentrated control could also discourage a potential investor from acquiring our Class A common stock due to the limited voting power of such stock relative to the Class B common stock and might harm the trading price of our Class A common stock. In addition, if we issue shares of Class C common stock in the future, such issuances would have a dilutive effect on the economic interests of our Class A and Class B common stock. Any such issuance of Class C common stock could also cause the trading price of our Class A common stock to decline.

If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our Class A common stock is influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if our operating results do not meet the expectations of the investor community, one or more of the analysts who cover our company may change their recommendations regarding our company, and our stock price could decline.

Future sales and issuances of our Class A common stock or rights to purchase our Class A common stock, including pursuant to our equity incentive plans, or other equity securities or securities convertible into our Class A common stock, could result in additional dilution of the percentage ownership of our stockholders and could cause the stock price of our Class A common stock to decline.

In the future, we may sell Class A common stock, other series of common stock, convertible securities, or other equity securities, including preferred securities, in one or more transactions at prices and in a manner we determine from time to time. We also expect to issue Class A common stock to employees, consultants, and directors pursuant to our equity incentive plans. If we sell Class A common stock, other series of common stock, convertible securities, or other equity securities in subsequent transactions, or Class A common stock or Class B common stock is issued pursuant to equity incentive plans, investors may be materially diluted. New investors in subsequent transactions could gain rights, preferences, and privileges senior to those of holders of our Class A common stock.

In addition, we made an initial contribution of 9,200,000 newly-issued shares of Class H common stock to the Host Endowment Fund in November 2020 and may in our discretion make additional contributions of Class H common stock in the future, and any future issuances of Class H common stock would be dilutive to holders of Class A common stock. However, it is our current intent that the total number of shares contributed to the Host Endowment Fund by us, when aggregated with any prior contributions, will not exceed 2% of our total shares outstanding at the time of any future contribution. We have also announced our intention to donate 400,000 shares of our Class A common stock to a charitable foundation.

We do not intend to pay dividends for the foreseeable future. Consequently, any gains from an investment in our Class A common stock will likely depend on whether the price of our Class A common stock increases.

We have only paid one dividend in our history and do not intend to pay any dividends on our Class A common stock in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the operation and growth of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Furthermore, our Credit Agreement contains negative covenants that limit our ability to pay dividends. For more information, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."

Anti-takeover provisions contained in our restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our restated certificate of incorporation and amended and restated bylaws contain and Delaware law contains provisions which could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our board of directors. These provisions provide for the following:

- a multi-series structure which provides our holders of Class B common stock with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A common stock, Class B common stock, Class C common stock, and Class H common stock;
- a classified board of directors with three-year staggered terms, who can only be removed for cause, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to set the size of the board of directors and to elect a director to fill a vacancy, however occurring, including by an expansion of the board of directors, which prevents stockholders from being able to fill vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including voting or other rights or preferences, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board of directors to alter our amended and restated bylaws without obtaining stockholder approval;
- in addition to our board of director's ability to adopt, amend, or repeal our amended and restated bylaws, our stockholders may adopt, amend, or repeal our amended and restated bylaws only with the affirmative vote of the holders of at least 66 2/3% of the voting power of all our then-outstanding shares of capital stock;
- the required approval of (i) at least 66 2/3% of the voting power of the outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class, to adopt, amend, or repeal certain provisions of our restated certificate of incorporation and (ii) for so long as any shares of Class B common stock are outstanding, the holders of at least 80% of the shares of Class B common stock outstanding at the time of such vote, voting as a separate series, to adopt, amend, or repeal certain provisions of our restated certificate of incorporation;
- the ability of stockholders to act by written consent only as long as holders of our Class B common stock hold at least 50% of the voting power of our capital stock;
- the requirement that a special meeting of stockholders may be called only by an officer of our company pursuant to a resolution adopted by a majority of our board of directors then in office or the chairperson of our board;
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which 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 us; and
- the limitation of liability of, and provision of indemnification to, our directors and officers.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law"), which prevents some stockholders holding more than 15% of our outstanding

common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock.

Any provision of our certificate of incorporation, bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers who are or are threatened to be made a party to or otherwise involved in an action, suit or proceeding by reason of the fact of their service to the company, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws and/or our indemnification agreements that we have entered or intend to enter into with our directors and officers and certain other employees provide that:

- we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;
- under certain circumstances we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding in advance of its final disposition, except that our obligation to provide advancement to such directors or officers is contingent upon their agreement to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- we may, in our discretion, (i) indemnify employees and agents in those circumstances where indemnification is permitted by applicable law, and (ii) advance expenses, as incurred, to our employees and agents in connection with defending a proceeding in advance of its final disposition, contingent on such employees' or agents' agreement to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- we are bound by any existing indemnification agreements for employees or agents;
- the rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees, and agents and to obtain insurance to indemnify such persons; and
- we may not retroactively amend or repeal our amended and restated bylaws to reduce our indemnification or advancement obligations relating to any act or omission occurring prior to the time of such amendment or repeal.

While we have procured directors' and officers' liability insurance policies, such insurance policies may not be available to us in the future at a reasonable rate, may not cover all potential claims for indemnification, and may not be adequate to indemnify us for all liability that may be imposed.

Our restated certificate of incorporation and amended and restated bylaws provide for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between us and our stockholders, and that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act.

Our restated certificate of incorporation and amended and restated bylaws provide, that: (i) unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for: (A) any derivative action or proceeding brought on behalf of the company, (B) any action asserting a claim for or based on a breach of a fiduciary duty owed by any of our current or former director, officer, other employee, agent, or stockholder to the company or our stockholders, including without limitation a claim alleging the aiding and abetting of such a breach of fiduciary duty, (C) any action asserting a claim against the company or any of our current or former director, officer, employee, agent, or stockholder arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware, or (D) any action asserting a claim related to or involving the company that is governed by the internal affairs doctrine; (ii) unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, and the rules and regulations promulgated thereunder; (iii) any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the company will be deemed to have notice of and consented to these provisions; and (iv) failure to enforce the foregoing provisions would cause us irreparable harm, and we will be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions. Nothing in our restated certificate of incorporation or amended and restated bylaws precludes stockholders that assert claims under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), from bringing such claims in federal court to the extent that the Exchange Act confers exclusive federal jurisdiction over such claims, subject to applicable law.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. If a court were to find the choice of forum provision that is contained in our restated certificate of incorporation or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, results of operations, and financial condition. For example, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and

regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act.

The choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our current or former directors, officers, other employees, agents, or stockholders of the company, which may discourage such claims against us or any of our current or former directors, officers, other employees, agents, or stockholder of the company and result in increased costs for investors to bring a claim.

General Risk Factors

The value of our marketable securities could decline, which could adversely affect our results of operations and financial condition.

Our marketable securities portfolio includes various holdings, types, and maturities. Market values of these investments can be adversely impacted by various factors, including liquidity in the underlying security, credit deterioration, the financial condition of the credit issuer, foreign exchange rates, and changes in interest rates. Our marketable securities, which we consider highly-liquid investments, are classified as available-for-sale and are recorded on our consolidated balance sheets at their estimated fair value. Unrealized gains and losses on available-for-sale debt securities are reported as a component of accumulated other comprehensive income (loss) in stockholders' equity (deficit). Realized gains and losses and other-than-temporary impairments are reported within other income (expense), net in the consolidated statements of operations. Our marketable equity securities with readily determinable fair values are measured at fair value on a recurring basis with changes in fair value recognized within other income (expense), net in the consolidated statements of operations.

If the fair value of our marketable equity securities declines, our earnings will be reduced or losses will be increased. Furthermore, our interest income from cash, cash equivalents, and our marketable securities are impacted by changes in interest rates, and a decline in interest rates would adversely impact our interest income.

We are subject to rules and regulations established by the SEC and Nasdaq regarding our internal control over financial reporting. We may not complete needed improvements to our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our Class A common stock and your investment.

As a public reporting company, we are subject to the rules and regulations established by the SEC and Nasdaq. These rules and regulations require, among other things, that we establish and periodically evaluate procedures with respect to our internal control over financial reporting. Reporting obligations as a public company are likely to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel, including senior management. In addition, as a public company, we are required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting. In support of such certifications, we were required to document and make significant changes and enhancements, including hiring additional personnel, to our internal control over financial reporting. Likewise, our independent registered public accounting firm provided an attestation report on the effectiveness of our internal control over financial reporting. We anticipate to continue investing significant resources to enhance and maintain our financial and managerial controls, reporting systems, and procedures.

If our management is unable to certify the effectiveness of our internal controls, our independent registered public accounting firm is unable to express an unqualified opinion on the effectiveness of our internal control over financial reporting, we identify or fail to remediate material weaknesses in our internal controls, or we do not effectively or accurately report our financial performance to the appropriate regulators on a timely basis, we could be subject to regulatory scrutiny and a loss of investor confidence, which could significantly harm our reputation and our stock price, and materially adversely affect our business, results of operations, and financial condition.

The failure to successfully implement and maintain accounting systems could materially adversely impact our business, results of operations, and financial condition.

We occasionally implement, modify, retire and change our accounting systems. For example, we are in the process of implementing a new cloud-based enterprise resource planning system in 2023. Such transformations involve risk inherent in the conversion to a new system, including loss of information and potential disruption to normal operations. These changes to our information technology systems may be disruptive, take longer than desired, be more expensive than anticipated, be distracting to management, or fail, causing our business and results of operations to suffer materially. Additionally, if our revenue and other accounting or tax systems do not operate as intended or do not scale with anticipated growth in our business, the effectiveness of our internal control over financial reporting could be adversely affected. Any failure to develop, implement, or maintain effective internal controls related to our revenue and other accounting or tax systems and associated reporting could materially adversely affect our business, results of operations, and financial condition or cause us to fail to meet our reporting obligations. In addition, if we experience interruptions in service or operational difficulties with our revenue and other accounting or tax systems, our business, results of operations, and financial condition could be materially adversely affected.

Our results of operations and financial condition could be materially adversely affected by changes in accounting principles.

The accounting for our business is subject to change based on the evolution of our business model, interpretations of relevant accounting principles, enforcement of existing or new regulations, and changes in policies, rules, regulations, and interpretations, of accounting and financial reporting requirements of the SEC or other regulatory agencies. Adoption of a change in accounting principles or interpretations could have a significant effect on our reported results of operations and could affect the reporting of transactions completed before the adoption of such change. It is difficult to predict the impact of future changes to accounting principles and accounting policies over financial reporting, any of which could adversely affect our results of operations and financial condition and could require significant investment in systems and personnel.

Avoiding regulation under the Investment Company Act may adversely affect our operations.

The Investment Company Act of 1940, as amended (the “Investment Company Act”), contains substantive legal requirements that regulate the manner in which “investment companies” are permitted to conduct their business activities. We currently conduct, and intend to continue to conduct, our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act. We are not engaged primarily, nor do we hold ourselves out as being engaged primarily, in the business of investing, reinvesting, or trading in securities, and neither do we intend to own investment securities with a combined value in excess of 40% of the value, as determined by our board of directors, of our total assets, exclusive of U.S. government securities and cash items, on an unconsolidated basis. We do, however, make minority investments in companies and acquire other financial instruments from time to time that may be deemed investment securities. We expect to conduct our operations such that the value of those investments will not rise to a level where we might be deemed an investment company, but there can be no assurances that we will be successful in maintaining the required ratios without taking actions that may adversely affect our operations. For example, to avoid being deemed an investment company we may be required to sell certain of our assets and pay significant taxes upon the sale or transfer of such assets, which may have a material adverse effect on our business, results of operations, and financial condition.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We are headquartered in San Francisco, California, where we have lease commitments for approximately 924,000 square feet, including approximately 616,000 square feet offered for sublease, across multiple buildings.

As of December 31, 2022, we leased office facilities totaling approximately 1.6 million square feet in multiple locations in the United States and internationally. As a result of the pandemic's impact on the working environment, in April 2022, we announced our Live and Work Anywhere policy. This policy allows for the vast majority of our employees to work remotely on a permanent basis. Where we ceased using office space, we have either terminated, subleased, or offered for sublease. See Note 17, *Restructuring* to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K. We believe our facilities are adequate and suitable for our current needs.

Item 3. Legal Proceedings

We are currently involved in, and may in the future be involved in, legal proceedings, claims, and government investigations in the ordinary course of business. These include proceedings, claims, and investigations relating to, among other things, regulatory matters, commercial matters, intellectual property, competition, tax, employment, pricing, discrimination, consumer rights, personal injury, and property rights. See Note 12, *Commitments and Contingencies – Legal and Regulatory Matters* to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Depending on the nature of the proceeding, claim, or investigation, we may be subject to monetary damage awards, fines, penalties, or injunctive orders. Furthermore, the outcome of these matters could materially adversely affect our business, results of operations, and financial condition. The outcomes of legal proceedings, claims, and government investigations are inherently unpredictable and subject to significant judgment to determine the likelihood and amount of loss related to such matters. While it is not possible to determine the outcomes, we believe based on our current knowledge that the resolution of all such pending matters will not, either individually or in the aggregate, have a material adverse effect on our business, results of operations, cash flows, or financial condition.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information for Class A Common Stock

Our Class A common stock has been listed on the Nasdaq Global Select Market under the symbol "ABNB" since December 10, 2020. Prior to that date, there was no public trading market for our Class A common stock. Our Class B, Class C, and Class H common stock are neither listed nor publicly traded.

Holders of our Common Stock

Holders of our common stock as of February 3, 2023, were as follows:

- Class A common stock: 1,096 stockholders of record. This number does not include stockholders for whom shares were held in "nominee" or "street name."
- Class B common stock: 91 stockholders of record.
- Class C common stock: There were no shares outstanding.
- Class H common stock: All outstanding shares were held by our wholly-owned Host Endowment Fund subsidiary.

Dividend Policy

We intend to retain any future earnings and do not anticipate declaring or paying any cash dividends in the foreseeable future. We may enter into credit agreements or other borrowing arrangements in the future that may restrict our ability to declare or pay cash dividends or make distributions. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and other factors our board of directors may deem relevant.

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

The following table sets forth information relating to repurchases of our equity securities during the three months ended December 31, 2022 (in millions, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs ⁽²⁾
October 1 - 31	—	\$ —	—	\$ 1,000.0
November 1 - 30	2.6	99.59	2.6	737.5
December 1 - 31	2.6	95.16	2.6	\$ 500.0
Total	5.2	\$ 97.38	5.2	

(1) Includes broker commissions.

(2) On August 2, 2022, we announced that our board of directors approved a share repurchase program with authorization to purchase up to \$2.0 billion of our Class A common stock at management's discretion (the "Share Repurchase Program"). The Share Repurchase Program does not have an expiration date, does not obligate us to repurchase any specific number of shares, and may be modified, suspended, or terminated at any time at our discretion.

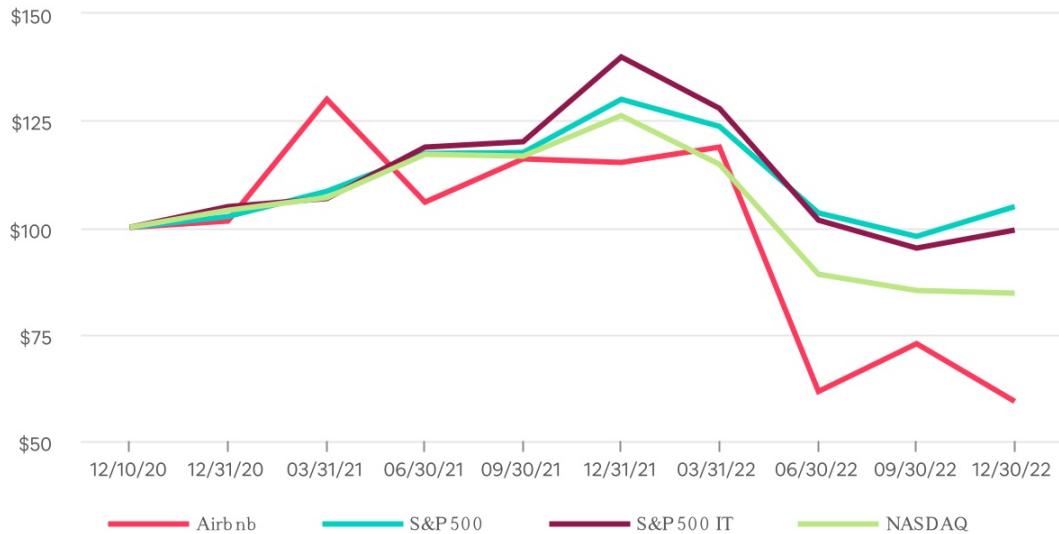
Performance Graph

The following performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act or incorporated by reference into any filing of Airbnb, Inc. under the Securities Act or the Exchange Act.

The graph below compares the cumulative total stockholder return on our Class A common stock with the cumulative total return on the S&P 500 Index ("S&P 500"), the S&P 500 Information Technology Index ("S&P 500 IT"), and the Nasdaq Composite Index ("NASDAQ"). The graph assumes \$100 was invested at the market close on December 10, 2020, which was the first day our Class A common stock began trading. Data for the S&P 500 Index, S&P 500 Information Technology Index, and Nasdaq Composite Index assume reinvestment of dividends. The graph uses the closing market price on December 10, 2020 of \$144.71 per share as the initial value of our Class A common

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stock. The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our Class A common stock.



Item 6. [Reserved]

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

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section titled "Risk Factors" or in other parts of this Annual Report on Form 10-K. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Except as otherwise noted, all references to 2022 refer to the year ended December 31, 2022, references to 2021 refer to the year ended December 31, 2021, and references to 2020 refer to the year ended December 31, 2020.

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes included in Part II, Item 8 of this Annual Report on Form 10-K. This section of this Annual Report on Form 10-K generally discusses 2022 and 2021 items and year-to-year comparisons between 2022 and 2021. Discussions of 2020 items and year-to-year comparisons between 2021 and 2020 are not included in this Form 10-K, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2021, filed on February 25, 2022.

Revision of Previously Issued Financial Statements

As described in Note 2, *Summary of Significant Accounting Policies*, to our consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K, we have revised previously issued financial statements to correct immaterial misstatements. This had no impact on our consolidated financial statements outside of the presentation in the consolidated statements of cash flow and did not affect the consolidated statements of operations.

Overview

We are a community based on connection and belonging—a community that was born in 2007 when two Hosts welcomed three guests to their San Francisco home, and has since grown to over 4 million Hosts who have welcomed over 1.4 billion guest arrivals to over 100,000 cities and towns in almost every country and region across the globe. Hosts on Airbnb are everyday people who share their worlds to provide guests with the feeling of connection and being at home. We have five stakeholders and we have designed our company with all of them in mind. Along with employees and shareholders, we serve Hosts, guests, and the communities in which they live. We intend to make long-term decisions considering all of our stakeholders because their collective success is key for our business to thrive.

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We operate a global marketplace, where Hosts offer guests stays and experiences on our platform. Our business model relies on the success of Hosts and guests (collectively referred to as "customers") who join our community and generate consistent bookings over time. As Hosts become more successful on our platform and as guests return over time, we benefit from the recurring activity of our community.

Initial Public Offering

Our initial public offering ("IPO") was completed on December 14, 2020. Our consolidated financial statements as of December 31, 2020 and for the year then-ended reflect the sale by us of an aggregate of 55,000,000 shares in our IPO, including the exercise of the underwriters' option to purchase additional shares, at the public offering price of \$68.00 per share, for net proceeds to us of approximately \$3.7 billion, after underwriting discounts and commissions and offering expenses, and the conversion of all outstanding shares of our redeemable convertible preferred stock into an aggregate of 240,910,588 shares of Class B common stock, including 1,286,694 shares of Class B common stock issuable pursuant to the anti-dilution adjustment provisions relating to our Series C redeemable convertible preferred stock.

Our consolidated financial statements as of December 31, 2020 and for the year then-ended include stock-based compensation expense of \$2.8 billion associated with the vesting of RSUs in connection with our IPO for which the requisite service-based vesting condition was met as of December 31, 2020. The liquidity-based vesting condition for RSUs was satisfied upon the effectiveness of our Registration Statement on Form S-1 on December 9, 2020.

2022 Financial Highlights

In 2022, revenue grew by 40% to \$8.4 billion compared to 2021, primarily due to a 31% increase in Nights and Experiences Booked of 93.0 million combined with higher average daily rates driving a 35% increase in Gross Booking Value of \$16.3 billion. The growth in revenue demonstrated the continued strong travel demand. On a constant-currency basis, revenue increased 46% in 2022 compared to 2021.

We ended 2022 with net income of \$1.9 billion, an improvement from a net loss of \$352.0 million in 2021, and our first profitable year to date. Our net profit margin increased to 23% from a negative 6% in 2021, primarily due to our revenue growth outpacing the growth in our operating expenses and cost management.

Adjusted EBITDA¹ increased 82% to \$2.9 billion in 2022 demonstrating the continued strength of our business and disciplined management of our cost structure.

Our net cash provided by operating activities was \$3.4 billion in 2022, up from \$2.3 billion in 2021, and we generated Free Cash Flow¹ of \$3.4 billion. The increase was driven by our revenue growth, net margin expansion, and significant growth in unearned fees.

In August 2022, our board of directors approved a share repurchase program with authorization to purchase up to \$2.0 billion of our Class A common stock at management's discretion. During 2022, we repurchased and retired 13.8 million shares of common stock for \$1.5 billion.

Macroeconomic Conditions on our Business

As we look forward, we recognize the potential impact of challenging macroeconomic conditions on our business, including inflation and rising interest rates, foreign currency fluctuations, and potential decreased consumer spending. To date, these conditions have had a modest impact on our business, results of operations, cash flows, and financial condition; however, the impact in the future of these macroeconomic events on our business, results of operations, cash flows, and financial condition is uncertain and will depend on future developments that we may not be able to accurately predict.

Impact of COVID-19

In response to the outbreak of the novel strain of the coronavirus disease ("COVID-19") in the first half of 2020, as well as subsequent outbreaks driven by new variants of COVID-19, governments around the world have implemented, and continue to implement, a variety of measures to reduce the spread of COVID-19, including travel restrictions, social distancing, shelter-in-place orders, vaccination mandates, or requirements for businesses to confirm employees' vaccination status, and other restrictions.

While COVID-19 still plagues the world, for the year ended December 31, 2022, Gross Booking Value ("GBV") and revenue were \$63.2 billion and \$8.4 billion, respectively, which were both higher compared to the same periods in 2021, 2020, and pre-COVID-19. In 2020 and 2021, we faced lower demand for long distance travel and overall depressed Nights and Experiences Booked compared to pre-COVID-19. However, in 2022, we saw significant growth with Nights and Experiences Booked exceeding pre-COVID-19 levels for the same period. The trends in our recovery continue to vary by region due to a variety of factors, including the emergence of COVID-19 variants, vaccination rates, COVID-19 caseloads, and associated travel restrictions, as well as historical cross-border compared to domestic travel dependence. During 2022, we saw strength in all regions relative to 2021 as well as sequential growth in nights booked in Latin America and Asia Pacific.

The extent and duration of the impact of the COVID-19 pandemic over the longer term remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of COVID-19, the introduction and spread of new variants of the virus that may be resistant to currently approved vaccines, and the continuation of existing or implementation of new government travel restrictions, the extent and effectiveness of containment actions taken, including mobility restrictions, the timing, availability, and effectiveness of vaccines, and the impact of these and other factors on travel behavior in general, and on our business in particular, which may result in a reduction in bookings and an increase in booking cancellations.

¹ A reconciliation of non-generally accepted accounting principal financial measures to the most comparable generally accepted accounting principal financial measures is provided under the subsection titled "Key Business Metrics and Non-GAAP Financial Measures—Adjusted EBITDA" and "—Free Cash Flow" below.

Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act (the “IRA”) was signed into law in the United States. Among other changes, the IRA introduced a corporate minimum tax on certain corporations with average adjusted financial statement income over a three-tax year period in excess of \$1 billion and an excise tax on certain stock repurchases by certain covered corporations for taxable years beginning after December 31, 2022. While the corporate minimum tax law change has no immediate effect and is not expected to have a material adverse effect on our results of operations going forward, we will continue to evaluate its impact as further information becomes available.

Key Business Metrics and Non-GAAP Financial Measures

We track the following key business metrics and financial measures that are not calculated and presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) (“non-GAAP financial measures”) to evaluate our operating performance, identify trends, formulate financial projections, and make strategic decisions. Accordingly, we believe that these key business metrics and non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our results of operations in the same manner as our management team. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance, and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their U.S. GAAP results.

These key business metrics and non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with U.S. GAAP, and may be different from similarly titled metrics or measures presented by other companies. A reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP is provided under the subsection titled “— Adjusted EBITDA” and “— Free Cash Flow” below. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures.

Key Business Metrics

We review the following key business metrics to measure our performance, identify trends, formulate financial projections, and make strategic decisions. We are not aware of any uniform standards for calculating these key metrics, which may hinder comparability with other companies that may calculate similarly titled metrics in a different way.

	2021	2022
	(in millions)	
Nights and Experiences Booked	301	394
Gross Booking Value	\$ 46,877	\$ 63,212

Nights and Experiences Booked

Nights and Experiences Booked is a key measure of the scale of our platform, which in turn drives our financial performance. Nights and Experiences Booked on our platform in a period represents the sum of the total number of nights booked for stays and the total number of seats booked for experiences, net of cancellations and alterations that occurred in that period. For example, a booking made on February 15 would be reflected in Nights and Experiences Booked for our quarter ended March 31. If, in the example, the booking were canceled on May 15, Nights and Experiences Booked would be reduced by the cancellation for our quarter ended June 30. A night can include one or more guests and can be for a listing with one or more bedrooms. A seat is booked for each participant in an experience. Substantially all of the bookings on our platform to date have come from nights. We believe Nights and Experiences Booked is a key business metric to help investors and others understand and evaluate our results of operations in the same manner as our management team, as it represents a single unit of transaction on our platform.

In 2022, we had 393.7 million Nights and Experiences Booked, a 31% increase from 300.6 million in 2021. Nights and Experiences Booked grows as we attract new customers to our platform and as repeat customers increase their activity on our platform. Our Nights and Experiences Booked increased from prior year levels driven by strong growth across all regions, in particular in Europe, Latin America, and Asia.

Gross Booking Value

GBV represents the dollar value of bookings on our platform in a period and is inclusive of Host earnings, service fees, cleaning fees, and taxes, net of cancellations and alterations that occurred during that period. The timing of recording GBV and any related cancellations is similar to that described in the subsection titled “— Key Business Metrics and Non-GAAP Financial Measures — Nights and Experiences Booked” above. Revenue from the booking is recognized upon check-in; accordingly, GBV is a leading indicator of revenue. The entire amount of a booking is reflected in GBV during the quarter in which booking occurs, whether the guest pays the entire amount of the booking upfront or elects to use our Pay Less Upfront program. Growth in GBV reflects our ability to attract and retain customers and reflects growth in Nights and Experiences Booked.

In 2022, our GBV was \$63.2 billion, a 35% increase from \$46.9 billion in 2021. The increase in our GBV was primarily due to an increase in Nights and Experiences Booked. The travel recovery we are experiencing has been dominated by our higher average daily rate (“ADR”) regions—North America and Europe, in particular. Similar to Nights and Experiences Booked, our GBV improvement was driven by stronger bookings in all regions.

Non-GAAP Financial Measures

Our non-GAAP financial measures include Adjusted EBITDA, Free Cash Flow, and revenue growth rates in constant currency, which are described below. A reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP is provided below. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures.

The following table summarizes our non-GAAP financial measures, along with the most directly comparable GAAP measure:

	2021	2022
	(in millions)	
Net income (loss)	\$ (352)	\$ 1,893
Adjusted EBITDA	\$ 1,593	\$ 2,903
Net cash provided by operating activities	\$ 2,313	\$ 3,430
Free Cash Flow	\$ 2,288	\$ 3,405

Adjusted EBITDA

We define Adjusted EBITDA as net income or loss adjusted for (i) provision for (benefit from) income taxes; (ii) other income (expense), net, interest expense, and interest income; (iii) depreciation and amortization; (iv) stock-based compensation expense; (v) acquisition-related impacts consisting of gains (losses) recognized on changes in the fair value of contingent consideration arrangements; (vi) net changes to the reserves for lodging taxes for which management believes it is probable that we may be held jointly liable with Hosts for collecting and remitting such taxes; and (vii) restructuring charges.

The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature, or because the amount and timing of these items is unpredictable, not driven by core results of operations, and renders comparisons with prior periods and competitors less meaningful. We believe Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as provides a useful measure for period-to-period comparisons of our business performance. Moreover, we have included Adjusted EBITDA in this Annual Report on Form 10-K because it is a key measurement used by our management internally to make operating decisions, including those related to operating expenses, evaluating performance, and performing strategic planning and annual budgeting.

Adjusted EBITDA also excludes certain items related to transactional tax matters, for which management believes it is probable that we may be held jointly liable with Hosts in certain jurisdictions, and we urge investors to review the detailed disclosure regarding these matters included in the subsection titled “—Critical Accounting Policies and Estimates—Lodging Tax Obligations,” as well as the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with GAAP. These limitations include the following:

- Adjusted EBITDA does not reflect interest income (expense) and other income (expense), net, which include loss on extinguishment of debt and unrealized and realized gains and losses on foreign currency exchange, investments, and financial instruments, including the warrants issued in connection with a term loan agreement entered into in April 2020. We amended the anti-dilution feature in the warrant agreements in March 2021. The balance of the warrants of \$1.3 billion was reclassified from liability to equity as the amended warrants met the requirements for equity classification and are no longer remeasured at each reporting period;
- Adjusted EBITDA excludes certain recurring, non-cash charges, such as depreciation of property and equipment and amortization of intangible assets, and although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect all cash requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes stock-based compensation expense, which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy;
- Adjusted EBITDA excludes acquisition-related impacts consisting of gains (losses) recognized on changes in the fair value of contingent consideration arrangements. The contingent consideration, which was in the form of equity, was valued as of the acquisition date and is marked-to-market at each reporting period based on factors including our stock price;
- Adjusted EBITDA does not reflect net changes to reserves for lodging taxes for which management believes it is probable that we may be held jointly liable with Hosts for collecting and remitting such taxes; and
- Adjusted EBITDA does not reflect restructuring charges, which include severance and other employee costs, lease impairments, and contract amendments and terminations.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net loss and our other GAAP results.

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In 2022, Adjusted EBITDA was \$2.9 billion, compared to \$1.6 billion in 2021. This favorable change was due to our revenue growth combined with continued cost management.

Adjusted EBITDA Reconciliation

The following is a reconciliation of Adjusted EBITDA to the most comparable GAAP measure, net income (loss):

	2021	2022
	(in millions, except percentages)	
Revenue	\$ 5,992	\$ 8,399
Net income (loss)	\$ (352)	\$ 1,893
Adjusted to exclude the following:		
Provision for (benefit from) income taxes	52	96
Other income (expense), net	304	(25)
Interest expense	438	24
Interest income	(13)	(186)
Depreciation and amortization	138	81
Stock-based compensation expense ⁽¹⁾	899	930
Acquisition-related impacts	11	(12)
Net changes in lodging tax reserves	3	13
Restructuring charges	113	89
Adjusted EBITDA	\$ 1,593	\$ 2,903
Adjusted EBITDA as a percentage of Revenue	27 %	35 %

(1) Excludes stock-based compensation related to restructuring, which is included in restructuring charges in the table above.

Free Cash Flow

We define Free Cash Flow as net cash provided by (used in) operating activities less purchases of property and equipment. We believe that Free Cash Flow is a meaningful indicator of liquidity that provides information to our management, investors and others about the amount of cash generated from operations, after purchases of property and equipment, that can be used for strategic initiatives, including continuous investment in our business, growth through acquisitions, and strengthening our balance sheet. Our Free Cash Flow is impacted by the timing of GBV because we collect our service fees at the time of booking, which is generally before a stay or experience occurs. Funds held on behalf of our customers and amounts payable to our customers do not impact Free Cash Flow, except interest earned on these funds. Free Cash Flow has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as net cash provided by (used in) operating activities. Free Cash Flow does not reflect our ability to meet future contractual commitments and may be calculated differently by other companies in our industry, limiting its usefulness as a comparative measure.

In 2022, Free Cash Flow was \$3.4 billion compared to \$2.3 billion in 2021, representing 41% of revenue. The increase was primarily driven by revenue growth, margin expansion, and significant growth in unearned fees.

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Free Cash Flow Reconciliation

The following is a reconciliation of Free Cash Flow to the most comparable GAAP cash flow measure, net cash provided by operating activities:

	2021	2022
	(in millions, except percentages)	
Revenue	\$ 5,992	\$ 8,399
Net cash provided by operating activities	\$ 2,313	\$ 3,430
Purchases of property and equipment	(25)	(25)
Free Cash Flow	\$ 2,288	\$ 3,405
Free Cash Flow as a percentage of Revenue	38 %	41 %
Other cash flow components:		
Net cash used in investing activities	\$ (1,352)	\$ (28)
Net cash provided by (used in) financing activities	\$ 1,308	\$ (689)

Constant Currency

In addition to revenue growth rates derived from revenue presented in accordance with U.S. GAAP, we disclose below the percentage change in our current period revenue from the corresponding prior period by comparing results using constant currencies. We present constant currency revenue growth rate information to provide a framework for assessing how our underlying revenue performed excluding the effect of changes in exchange rates. We use the percentage change in constant currency revenues for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe the presentation of revenue on a constant currency basis in addition to the U.S. GAAP presentation helps improve the ability to understand our performance because it excludes the effects of foreign currency volatility that are not indicative of our core operating results. We calculate the percentage change in constant currency by determining the change in the current period revenue over the prior comparable period where current period foreign currency revenue is translated using the exchange rates of the comparative period.

Geographic Mix

Our operations are global, and certain trends in our business, such as Nights and Experiences Booked, GBV, revenue, GBV per Night and Experience Booked, and Nights per Booking vary by geography. We measure Nights and Experiences Booked by region based on the location of the listing.

	2021	% of Total	2022	% of Total
	(in millions, except percentages)			
Nights and Experiences Booked				
North America	114	38 %	133	34 %
EMEA	118	39 %	168	43 %
Latin America	39	13 %	53	13 %
Asia Pacific	30	10 %	40	10 %
Total	<u>301</u>	<u>100 %</u>	<u>394</u>	<u>100 %</u>
Gross Booking Value				
North America	\$ 25,305	54 %	\$ 32,246	51 %
EMEA	14,607	31 %	21,486	34 %
Latin America	3,706	8 %	4,838	8 %
Asia Pacific	3,259	7 %	4,642	7 %
Total	<u>\$ 46,877</u>	<u>100 %</u>	<u>\$ 63,212</u>	<u>100 %</u>
Revenue				
North America	\$ 3,201	54 %	\$ 4,210	50 %
EMEA	1,931	32 %	2,924	35 %
Latin America	431	7 %	643	8 %
Asia Pacific	429	7 %	622	7 %
Total	<u>\$ 5,992</u>	<u>100 %</u>	<u>\$ 8,399</u>	<u>100 %</u>

We saw an increase in GBV per Night and Experience Booked in 2022 compared to 2021, in part because our geographic mix shifted to these higher GBV per Night and Experience Booked regions. Specifically, GBV per Night and Experience Booked in 2022 was \$240.29 for North America compared to \$127.99 for EMEA, \$117.41 for Asia Pacific, and \$92.89 for Latin America, with a total global GBV per Night and Experience Booked of \$160.56.

Our total company average nights per booking, excluding experiences for 2022 were 4.2 nights for each of North America, EMEA, and Latin

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America, and 3.2 nights for Asia Pacific, with a total average of 4.1 nights. We expect that our blended global average nights per booking will continue to fluctuate based on our geographic mix and changes in traveler behaviors.

Components of Results of Operations

Revenue

Our revenue consists of service fees, net of incentives and refunds, charged to our customers. For stays, service fees, which are charged to customers as a percentage of the value of the booking, excluding taxes, vary based on factors specific to the booking, such as booking value, the duration of the booking, geography, and Host type. For experiences, we only earn a Host fee. Substantially all of our revenue comes from stays booked on our platform. Incentives include our referral programs and marketing promotions to encourage the use of our platform and attract new customers, while our refunds to customers are part of our customer support activities.

We experience a difference in timing between when a booking is made and when we recognize revenue, which occurs upon check-in. We record the service fees that we collect from customers prior to check-in on our balance sheet as unearned fees. Revenue is net of incentives and refunds provided to customers.

Cost of Revenue

Cost of revenue includes payment processing costs, including merchant fees and chargebacks, costs associated with third-party data centers used to host our platform, and amortization of internally developed software and acquired technology. Because we act as the merchant of record, we incur all payment processing costs associated with our bookings, and we have chargebacks, which arise from account takeovers and other fraudulent activities. Cost of revenue may vary as a percentage of revenue from year to year based on activity on our platform and may also vary from quarter to quarter as a percentage of revenue based on the seasonality of our business and the difference in the timing of when bookings are made and when we recognize revenue.

Operations and Support

Operations and support expense primarily consists of personnel-related expenses and third-party service provider fees associated with community support provided via phone, email, and chat to customers; customer relations costs, which include refunds and credits related to customer satisfaction and expenses associated with our Host protection programs; and allocated costs for facilities and information technology.

Product Development

Product development expense primarily consists of personnel-related expenses and third-party service provider fees incurred in connection with the development of our platform, and allocated costs for facilities and information technology.

Sales and Marketing

Sales and marketing expense primarily consists of brand and performance marketing, personnel-related expenses, including those related to our field operations, policy and communications, portions of referral incentives and coupons, and allocated costs for facilities and information technology.

General and Administrative

General and administrative expense primarily consists of personnel-related expenses for management and administrative functions, including finance and accounting, legal, and human resources. General and administrative expense also includes certain professional services fees, general corporate and director and officer insurance, allocated costs for facilities and information technology, indirect taxes, including lodging tax reserves for which we may be held jointly liable with Hosts for collecting and remitting such taxes, and bad debt expense.

Restructuring Charges

Restructuring charges primarily consist of costs associated with a global workforce reduction in May 2020, lease impairments, and costs associated with amendments and terminations of contracts, including commercial agreements with service providers.

Stock-Based Compensation

We grant stock-based awards consisting primarily of stock options, restricted stock awards ("RSAs"), and restricted stock units ("RSUs") to employees, members of our board of directors, and non-employees. In addition, we have an Employee Stock Purchase Plan ("ESPP"), which was adopted by our board of directors in December 2020.

Interest Income

Interest income consists primarily of interest earned on our cash, cash equivalents, marketable securities, and amounts held on behalf of customers.

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Interest Expense

Interest expense consists primarily of interest associated with various indirect tax reserves, amortization of debt issuance and debt discount costs, and the loss on extinguishment of debt related to the repayment of the first and second lien loans in March 2021.

Other Income (Expense), Net

Other income (expense), net consists primarily of realized and unrealized gains and losses on foreign currency transactions and balances, the change in fair value of investments and financial instruments, including the warrants issued in connection with a term loan agreement entered into in April 2020, and our share of income or loss from our equity method investments.

Our platform generally enables guests to make payments in the currency of their choice to the extent that the currency is supported by Airbnb, which may not match the currency in which the Host elects to be paid. As a result, in those cases, we bear the currency risk of both the guest payment as well as the Host payment due to timing differences in such payments. We enter into derivative contracts to offset a portion of our exposure to the impact of movements in currency exchange rates on our transactional balances denominated in currencies other than the U.S. dollar. The effects of these derivative contracts are reflected in other income (expense), net.

Provision for (Benefit from) Income Taxes

We are subject to income taxes in the United States and foreign jurisdictions in which we do business. Foreign jurisdictions have different statutory tax rates than those in the United States. Additionally, certain of our foreign earnings may also be taxable in the United States. Accordingly, our effective tax rate is subject to significant variation due to several factors, including variability in our pre-tax and taxable income and loss and the mix of jurisdictions to which they relate, intercompany transactions, changes in how we do business, acquisitions, investments, tax audit developments, changes in our deferred tax assets and liabilities and their valuation, foreign currency gains and losses, changes in statutes, regulations, case law, and administrative practices, principles, and interpretations related to tax, including changes to the global tax framework, competition, and other laws and accounting rules in various jurisdictions, and relative changes of expenses or losses for which tax benefits are not recognized. Additionally, our effective tax rate can vary based on the amount of pre-tax income or loss. For example, the impact of discrete items and non-deductible expenses on our effective tax rate is greater when our pre-tax income is lower.

We have a valuation allowance for our net U.S. deferred tax assets, including federal and state net operating loss carryforwards, tax credits, and intangible assets. We expect to maintain these valuation allowances until it becomes more likely than not that the benefit of our deferred tax assets will be realized by way of expected future taxable income in the United States. We regularly assess all available evidence, including cumulative historic losses and forecasted earnings. Given our current earnings and anticipated future earnings, we believe that there is a reasonable possibility that sufficient positive evidence may become available in a future period to reach a conclusion that the U.S. valuation allowance will no longer be needed. Release of the valuation allowance would result in the recognition of material U.S. federal and state deferred tax assets and a corresponding decrease to income tax expense in the period the release is recorded. The exact timing and amount of the valuation allowance release are subject to change on the basis of the level of sustained U.S. profitability that we are able to actually achieve, as well as the amount of tax deductible stock compensation dependent upon our publicly traded share price, foreign currency movements, and macroeconomic conditions, among other factors.

We recognize accrued interest and penalties related to unrecognized tax benefits in the provision for (benefit from) income taxes.

Results of Operations

The following table sets forth our results of operations for the periods presented (in millions, except percentages):

	2021		2022	
	Amount	% of Revenue	Amount	% of Revenue
Revenue	\$ 5,992	100 %	\$ 8,399	100 %
Costs and expenses:				
Cost of revenue	1,156	19	1,499	18
Operations and support ⁽¹⁾	847	14	1,041	12
Product development ⁽¹⁾	1,425	24	1,502	18
Sales and marketing ⁽¹⁾	1,186	20	1,516	18
General and administrative ⁽¹⁾	836	14	950	11
Restructuring charges ⁽¹⁾	113	2	89	1
Total costs and expenses	<u>5,563</u>	<u>93</u>	<u>6,597</u>	<u>78</u>
Income from operations	429	7	1,802	22
Interest income	13	—	186	2
Interest expense	(438)	(7)	(24)	—
Other income (expense), net	(304)	(5)	25	—
Income (loss) before income taxes	(300)	(5)	1,989	24
Provision for income taxes	52	1	96	1
Net income (loss)	<u>\$ (352)</u>	<u>(6)%</u>	<u>\$ 1,893</u>	<u>23 %</u>

(1) Includes stock-based compensation expense as follows (in millions):

	2021	2022
Operations and support	\$ 49	\$ 63
Product development	545	548
Sales and marketing	100	114
General and administrative	205	205
Stock-based compensation expense	<u>\$ 899</u>	<u>\$ 930</u>

Comparison of the Years Ended December 31, 2021 and 2022

Revenue

	2021	2022	% Change
(in millions, except percentages)			
Revenue	\$ 5,992	\$ 8,399	40 %

Revenue increased \$2.4 billion, or 40%, in 2022 compared to 2021, primarily due to a 31% increase in Nights and Experiences Booked combined with higher ADRs. On a constant-currency basis, revenue increased 46% compared to 2021, due to the strengthening of the U.S. dollar against the Euro and British Pounds.

Cost of Revenue

	2021	2022	% Change
(in millions, except percentages)			
Cost of revenue	\$ 1,156	\$ 1,499	30 %
Percentage of revenue	19 %	18 %	

Cost of revenue increased \$343.2 million, or 30%, in 2022 compared to 2021, primarily due to an increase in merchant fees of \$313.9 million and an increase of \$35.8 million in chargebacks, both related to an increase in pay-in volumes, an increase in cloud computing costs of \$24.9 million due to increased server and data storage usage, and an increase of \$10.0 million related to SMS notification costs, partially offset by a decrease of \$44.3 million in amortization expense for internally developed software and acquired technology.

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Operations and Support

	2021	2022	% Change
(in millions, except percentages)			
Operations and support	\$ 847	\$ 1,041	23 %
Percentage of revenue	14 %	12 %	

Operations and support expense increased \$193.8 million, or 23%, in 2022 compared to 2021, primarily due to \$130.7 million increase in third-party community support personnel and customer relations costs, a \$29.8 million increase in insurance costs due to a higher Host Liability Insurance premium resulting from higher overall nights and a higher premium rate, and a \$29.2 million increase in payroll-related expenses due to growth in headcount and increased compensation costs.

Product Development

	2021	2022	% Change
(in millions, except percentages)			
Product development	\$ 1,425	\$ 1,502	5 %
Percentage of revenue	24 %	18 %	

Product development expense increased \$77.4 million, or 5%, in 2022 compared to 2021, primarily due to a \$51.9 million increase in payroll-related expenses due to growth in headcount and increased compensation costs, and a \$14.9 million increase in third-party service providers for contingent workers and consultant support for infrastructure projects, quality assurance services, and support of new product rollouts, including AirCover. Product development expense as a percent of revenue decreased to 18% in 2022, from 24% in the prior year, primarily due to growth in revenue outpacing growth in product development expense as a result of the significant increase in Nights and Experiences Booked combined with higher ADRs and cost saving initiatives.

Sales and Marketing

	2021	2022	% Change
(in millions, except percentages)			
Brand and performance marketing	\$ 723	\$ 1,030	42 %
Field operations and policy	463	486	5 %
Total sales and marketing	\$ 1,186	\$ 1,516	28 %
Percentage of revenue	20 %	18 %	

Sales and marketing expense increased \$329.9 million, or 28%, in 2022 compared to 2021, primarily due to a \$197.8 million increase in marketing activities associated with our Made Possible by Hosts, Strangers, AirCover, Categories, and OMG marketing campaigns and launches, a \$67.9 million increase in our search engine marketing and advertising spend, a \$25.1 million increase in payroll-related expenses due to growth in headcount and increase in compensation costs, a \$22.0 million increase in third-party service provider expenses, and a \$11.1 million increase in coupon expense in line with increase in revenue and launch of AirCover for guests, partially offset by a decrease of \$22.9 million related to the changes in the fair value of contingent consideration related to a 2019 acquisition.

General and Administrative

	2021	2022	% Change
(in millions, except percentages)			
General and administrative	\$ 836	\$ 950	14 %
Percentage of revenue	14 %	11 %	

General and administrative expense increased \$114.0 million, or 14%, in 2022 compared to 2021, primarily due to an increase in other business and operational taxes of \$41.3 million, a \$25.5 million increase in professional services expenses, primarily due to third-party service provider expenses, a \$21.7 million increase in bad debt expenses, a \$6.2 million increase in travel and entertainment expenses, and a \$6.0 million increase in charitable contributions to Airbnb.org, primarily to support Ukrainian refugees.

Restructuring Charges

	2021	2022	% Change
(in millions, except percentages)			
Restructuring charges	\$ 113	\$ 89	(21)%
Percentage of revenue	2 %	1 %	

Restructuring charges decreased \$23.7 million, or 21%, in 2022 compared to 2021. The shift to a remote work model was in direct response to the change in how our employees work due to the impact of COVID-19. As a result, in 2022 we recorded restructuring charges of \$89.1 million, which include \$80.5 million relating to an impairment of both domestic and international operating lease right-of-use ("ROU") assets,

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and \$8.4 million of related leasehold improvements. Refer to Note 17, *Restructuring*, to our consolidated financial statements included in Item 8 of Part 2 of this Annual Report on Form 10-K for additional information.

Interest Income and Expense

	2021	2022	% Change
(in millions, except percentages)			
Interest income	\$ 13	\$ 186	1,361 %
Percentage of revenue	— %	2 %	
Interest expense	\$ (438)	\$ (24)	(95)%
Percentage of revenue	(7)%	— %	

Interest income increased \$173.2 million, or 1,361%, in 2022 compared to 2021, primarily due to higher interest rates. Our investment portfolio was largely invested in money market funds and short-term, high-quality bonds. Interest expense decreased \$413.9 million in 2022, primarily due to the \$377.2 million loss on extinguishment of debt resulting from retirement of two term loans in March 2021. Refer to Note 9, *Debt*, to our consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K, for additional information.

Other Income (Expense), Net

	2021	2022	% Change
(in millions, except percentages)			
Other income (expense), net	\$ (304)	\$ 25	(108)%
Percentage of revenue	(5)%	— %	

Other income (expense), net increased \$328.3 million in 2022 compared to 2021, primarily driven by \$292.0 million of fair value remeasurement on our warrants issued in connection with our second lien loan in the prior year, which were reclassified to equity in March 2021 and no longer require fair value remeasurement.

Provision for Income Taxes

	2021	2022	% Change
(in millions, except percentages)			
Provision for income taxes	\$ 52	\$ 96	85 %
Effective tax rate	(17)%	5 %	

The provision for income taxes for the year ended December 31, 2022 increased \$44.0 million, compared to 2021, primarily due to increased profitability. See Note 13, *Income Taxes*, to our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further details.

Liquidity and Capital Resources

Sources and Conditions of Liquidity

As of December 31, 2022, our principal sources of liquidity were cash and cash equivalents and marketable securities totaling \$9.6 billion. As of December 31, 2022, cash and cash equivalents totaled \$7.4 billion, which included \$2.1 billion held by our foreign subsidiaries. Cash and cash equivalents consist of checking and interest-bearing accounts and highly-liquid securities with an original maturity of 90 days or less. As of December 31, 2022, marketable securities totaled \$2.2 billion. Marketable securities primarily consist of highly-liquid investment grade corporate debt securities, commercial paper, certificates of deposit, and U.S. government and agency bonds. These amounts do not include funds of \$4.8 billion as of December 31, 2022 that we held for bookings in advance of guests completing check-ins that we record separately on our balance sheet in funds receivable and amounts held on behalf of customers with a corresponding liability in funds payable and amounts payable to customers.

Cash, cash equivalents, and marketable securities held outside the United States may be repatriated, subject to certain limitations, and would be available to be used to fund our domestic operations. However, repatriation of such funds may result in additional tax liabilities. We believe that our existing cash, cash equivalents, and marketable securities balances in the United States are sufficient to fund our working capital needs in the United States.

We have access to \$1.0 billion of commitments under the 2022 Credit Facility. As of December 31, 2022, no amounts were drawn under the 2022 Credit Facility. See Note 9, *Debt*, to our consolidated financial statements included in Item 8 of Part 2 of this Annual Report on Form 10-K for a description of the 2022 Credit Facility entered into on October 31, 2022.

Material Cash Requirements

As of December 31, 2022, we had outstanding \$2.0 billion in aggregate principal amount of indebtedness of our convertible senior notes due 2026. On March 3, 2021, in connection with the pricing of the 2026 Notes, we entered into privately negotiated capped call transactions (the "Capped Calls") with certain of the initial purchasers and other financial institutions (the "option counterparties") at a cost of approximately

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\$100.2 million. The cap price of the Capped Calls was \$360.80 per share of Class A common stock, which represented a premium of 100% over the last reported sale price of the Class A common stock of \$180.40 per share on March 3, 2021, subject to certain customary adjustments under the terms of the Capped Call Transactions. See Note 9, *Debt*, to our consolidated financial statements included in Item 8 of Part 2 of this Annual Report on Form 10-K for additional information.

As of December 31, 2022, our total minimum lease payments were \$354.0 million, of which \$80.7 million is due in the succeeding 12 months. We have a commercial agreement with a data hosting services provider to spend or incur an aggregate of at least \$941.7 million for vendor services through 2027. See Note 8, *Leases*, Note 9, *Debt*, and Note 12, *Commitments and Contingencies* to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further information regarding these commitments.

On August 2, 2022, we announced that our board of directors approved a share repurchase program with authorization to purchase up to \$2.0 billion of our Class A common stock at management's discretion (the "Share Repurchase Program"). Share repurchases under the Share Repurchase Program may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades, or accelerated share repurchase transactions, or by any combination of such methods. Any such repurchases will be made from time to time subject to market and economic conditions, applicable legal requirements, and other relevant factors. The Share Repurchase Program does not have an expiration date, does not obligate us to repurchase any specific number of shares, and may be modified, suspended, or terminated at any time at our discretion. During 2022, we repurchased and subsequently retired 13.8 million shares of our common stock for \$1.5 billion under the Share Repurchase Program. As of December 31, 2022, we had \$500.0 million available to repurchase shares pursuant to the Share Repurchase Program.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in millions):

	2021	2022
Net cash provided by operating activities	\$ 2,313	\$ 3,430
Net cash used in investing activities	(1,352)	(28)
Net cash provided by (used in) financing activities	1,308	(689)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(210)	(337)
Net increase in cash, cash equivalents, and restricted cash	\$ 2,059	\$ 2,376

Cash Provided by Operating Activities

Net cash provided by operating activities in 2022 was \$3.4 billion, which is due to net income in 2022 of \$1.9 billion, adjusted for non-cash charges, primarily consisting of \$929.6 million of stock-based compensation expense, impairment of long-lived assets of \$91.4 million, and \$62.5 million of foreign exchange losses due to the strengthening of the U.S. dollar against the Euro and British Pound. Additional cash was provided by changes in working capital, including a \$279.9 million increase in unearned fees resulting from significantly higher bookings and accrued expenses and other liabilities of \$272.7 million.

Net cash provided by operating activities in 2021 was \$2.3 billion. Our net loss for 2021 was \$352.0 million, adjusted for non-cash charges, primarily consisting of \$898.8 million of stock-based compensation expense, \$377.2 million of loss on extinguishment of debt, \$292.0 million of fair value remeasurement on warrants issued in connection with a term loan agreement entered into in April 2020, \$138.3 million of depreciation and amortization, \$112.5 million of impairment of long-lived assets, and \$27.3 million of bad debt expense. Additional inflow of cash resulted from changes in working capital, including a \$495.8 million increase in unearned fees resulting from significantly higher bookings.

Cash Used in Investing Activities

Net cash used in investing activities in 2022 was \$28.0 million, which was primarily from the proceeds from maturities and sales of marketable securities of \$3.2 billion and \$909.5 million, respectively, partially offset by purchases of marketable securities of \$4.1 billion.

Net cash used in investing activities in 2021 was \$1.4 billion, which was primarily due to purchases of marketable securities of \$4.9 billion, partially offset by proceeds resulting from sales and maturities of marketable securities of \$1.6 billion and \$2.0 billion, respectively.

Cash Provided by (Used in) Financing Activities

Net cash used in financing activities in 2022 was \$689.2 million, primarily reflecting the increase in funds payable and amounts payable to customers of \$1.3 billion resulting from significantly higher bookings, offset by our share repurchase of \$1.5 billion under the Share Repurchase Program, and an increase in the taxes paid related to net share settlement of equity awards of \$607.4 million.

Net cash provided by financing activities in 2021 was \$1.3 billion, primarily reflecting the proceeds from the issuance of convertible senior notes, net of issuance costs, of \$2.0 billion and an increase in funds payable and amounts payable to customers of \$1.6 billion, partially offset by the repayment of long-term debt and a related prepayment penalty of \$2.0 billion and \$212.9 million, respectively.

Effect of Exchange Rates

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The effect of exchange rate changes on cash, cash equivalents, and restricted cash on our consolidated statements of cash flows relates to certain of our assets, principally cash balances held on behalf of customers, that are denominated in currencies other than the functional currency of certain of our subsidiaries. During 2021 and 2022, we recorded reductions of \$209.9 million and \$337.4 million, respectively, in cash, cash equivalents, and restricted cash, primarily due to the strengthening of the U.S. dollar against certain currencies. The impact of exchange rate changes on cash balances can serve as a natural hedge for the effect of exchange rates on our liabilities to our customers.

We assess our liquidity in terms of our ability to generate cash to fund our short- and long-term cash requirements. As such, we believe that the cash flows generated from operating activities will meet our anticipated cash requirements in the short-term. In addition to normal working capital requirements, we anticipate that our short- and long-term cash requirements will include funding capital expenditures, debt repayments, share repurchases, introduction of new products and offerings, timing and extent of spending to support our efforts to develop our platform, and expansion of sales and marketing activities. Our future capital requirements, however, will depend on many factors, including, but not limited to our growth, headcount, and ability to attract and retain customers on our platform. Additionally, we may in the future raise additional capital or incur additional indebtedness to continue to fund our strategic initiatives. On a long-term basis, we would rely on either our access to the capital markets or our credit facility for any long-term funding not provided by operating cash flows and cash on hand. In the event that additional financing is required from outside sources, we may seek to raise additional funds at any time through equity, equity-linked arrangements, and/or debt, which may not be available on favorable terms, or at all. If we are unable to raise additional capital when desired and at reasonable rates, our business, results of operations, and financial condition could be materially adversely affected. Our liquidity is subject to various risks including the risks identified in the section titled "Risk Factors" in Item 1A and market risks identified in the section entitled "Quantitative and Qualitative Disclosures about Market Risk" in Item 7A.

Indemnification Agreements

In the ordinary course of business, we include limited indemnification provisions under certain agreements with parties with whom we have commercial relations of varying scope and terms. Under these contracts, we may indemnify, hold harmless, and agree to reimburse the indemnified party for losses suffered or incurred by the indemnified party in connection with breach of the agreements, or intellectual property infringement claims made by a third party, including claims by a third party with respect to our domain names, trademarks, logos, and other branding elements to the extent that such marks are applicable to its performance under the subject agreement. It is not possible to determine the maximum potential loss under these indemnification provisions due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, no significant costs have been incurred, either individually or collectively, in connection with our indemnification provisions.

In addition, we have entered into indemnification agreements with our directors, executive officers, and certain other employees that require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, executive officers, or employees.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that of our significant accounting policies, which are described in Note 2 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition, results of operations, and cash flows.

Lodging Tax Obligations

In jurisdictions where we do not collect and remit lodging taxes, the responsibility for collecting and remitting these taxes, if applicable, generally rests with Hosts. We estimate liabilities for a certain number of jurisdictions with respect to state, city, and local taxes related to lodging where we believe it is probable that Airbnb could be held jointly liable with Hosts for collecting and remitting such taxes and the related amounts can be reasonably estimated. Changes to these liabilities are recorded in general and administrative expense in our consolidated statements of operations.

Evaluating potential outcomes for lodging taxes is inherently uncertain and requires us to utilize various judgments, assumptions, and estimates in determining our reserves. A variety of factors could affect our potential obligation for collecting and remitting such taxes which include, but are not limited to, whether we determine, or any tax authority asserts, that we have a responsibility to collect lodging and related taxes on either historic or future transactions; the introduction of new ordinances and taxes which subject our operations to such taxes; or the ultimate resolution of any historic claims that may be settled through negotiation. Accordingly, the ultimate resolution of lodging taxes may be greater or less than reserve amounts we have established. See Note 12, *Commitments and Contingencies*, to our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for additional information.

Income Taxes

We are subject to income taxes in the United States and foreign jurisdictions. We account for income taxes using the asset and liability method. We account for uncertainty in tax positions by recognizing a tax benefit from uncertain tax positions when it is more likely than not that the position will be sustained upon examination. Evaluating our uncertain tax positions, determining our provision for (benefit from)

income taxes, and evaluating the impact of tax law changes, are inherently uncertain and require making judgments, assumptions, and estimates.

In determining the need for a valuation allowance, we weigh both positive and negative evidence in the various jurisdictions in which we operate to determine whether it is more likely than not that our deferred tax assets are recoverable. We regularly assess all available evidence, including cumulative historic losses and forecasted earnings. Due to cumulative losses in the U.S. during the prior three years, including tax deductible stock compensation, and based on all available positive and negative evidence, we do not believe it is more likely than not that our U.S. deferred tax assets will be realized as of December 31, 2022. Accordingly, a full valuation allowance has been established in the United States, and no deferred tax assets and related tax benefit have been recognized in the financial statements. However, given our current earnings and anticipated future earnings, we believe that there is a reasonable possibility that sufficient positive evidence may become available in a future period to allow us to reach a conclusion that the U.S. valuation allowance will no longer be needed. Release of the valuation allowance would result in the recognition of material U.S. federal and state deferred tax assets and a corresponding decrease to income tax expense in the period the release is recorded. The exact timing and amount of the valuation allowance release are subject to change on the basis of the level of sustained U.S. profitability that we are able to actually achieve, as well as the amount of tax deductible stock compensation dependent upon our publicly traded share price, foreign currency movements, and macroeconomic conditions, among other factors.

While we believe that we have adequately reserved for our uncertain tax positions, no assurance can be given that the final tax outcome of these matters will not be different. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the provision for (benefit from) income taxes and the effective tax rate in the period in which such determination is made.

Recent Accounting Pronouncements

See Note 2, *Summary of Significant Accounting Policies*, to our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our substantial operations around the world expose us to various market risks. These risks primarily include foreign currency risk and investment risk.

Foreign Currency Exchange Risk

We offer the ability to transact on our platform in over 40 currencies, of which the most significant foreign currencies to our operations in 2022 were the Euro, British Pound, Canadian Dollar, Australian Dollar, Brazilian Real, and Mexican Peso. Our international revenue, as well as costs and expenses denominated in foreign currencies, expose us to the risk of fluctuations in foreign currency exchange rates against the U.S. dollar. Accordingly, we are subject to foreign currency risk, which may adversely impact our financial results.

We have foreign currency exchange risks related primarily to:

- revenue and cost of revenue associated with bookings on our platform denominated in currencies other than the U.S. dollar;
- balances held as funds receivable and amounts held on behalf of customers and funds payable and amounts payable to customers;
- unbilled amounts for confirmed bookings under the terms of our Pay Less Upfront program; and
- intercompany balances primarily related to our payment entities that process customer payments.

For revenue and cost of revenue associated with bookings on our platform outside of the United States, we generally receive net foreign currency amounts and therefore benefit from a weakening of the U.S. dollar and are adversely affected by a strengthening of the U.S. dollar. Movements in foreign exchange rates are recorded in other income (expense), net in our consolidated statements of operations. Furthermore, our platform generally enables guests to make payments in the currency of their choice to the extent that the currency is supported by Airbnb, which may not match the currency in which the Host elects to be paid. As a result, in those cases, we bear the currency risk of both the guest payment as well as the Host payment due to timing differences in such payments.

We use foreign currency derivative contracts to protect against foreign exchange risks. These hedges are primarily designed to manage foreign exchange risk associated with balances held as funds payable and amounts payable to customers. These contracts reduce, but do not entirely eliminate, the impact of currency exchange rate movements on our assets and liabilities. In the first quarter of 2023, we initiated a foreign exchange cash flow hedging program to minimize the effects of currency fluctuations on revenue in the future.

We have experienced and will continue to experience fluctuations in foreign exchange gains and losses related to changes in exchange rates. If our foreign-currency denominated assets, liabilities, revenues, or expenses increase, our results of operations may be more significantly impacted by fluctuations in the exchange rates of the currencies in which we do business. During 2022, we experienced negative foreign currency impacts to revenue due to the strengthening of the U.S. dollar relative to certain foreign currencies.

If an adverse 10% foreign currency exchange rate change was applied to total net monetary assets and liabilities denominated in currencies other than the local currencies as of December 31, 2022, it would not have had a material impact on our consolidated financial statements.

Investment and Interest Rate Risk

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We are exposed to interest rate risk related primarily to our investment portfolio. Changes in interest rates affect the interest earned on our total cash, cash equivalents, and marketable securities and the fair value of those securities.

We had cash and cash equivalents of \$7.4 billion and marketable securities of \$2.2 billion as of December 31, 2022, which consisted of highly-liquid investment grade corporate debt securities, commercial paper, certificates of deposit, and U.S. government and agency bonds. As of December 31, 2022, we had an additional \$4.8 billion that we held for bookings in advance of guests completing check-ins, which we record separately on our consolidated balance sheets as funds receivable and amounts held on behalf of customers. The primary objective of our investment activities is to preserve capital and meet liquidity requirements without significantly increasing risk. We invest primarily in highly-liquid, investment grade debt securities, and we limit the amount of credit exposure to any one issuer. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Because our cash equivalents and marketable securities generally have short maturities, the fair value of our portfolio is relatively insensitive to interest rate fluctuations. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 100 basis points increase in interest rates would have resulted in a decrease of \$13.1 million to our investment portfolio as of December 31, 2022.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Airbnb, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Airbnb, Inc. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of operations, of comprehensive income (loss), of redeemable convertible stock and stockholders' equity (deficit), and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes and financial statement schedule listed in the accompanying index for each of the three years in the period ended December 31, 2022 (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

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

Uncertain Tax Positions

As described in Notes 2 and 13 to the consolidated financial statements, the Company has recorded gross unrecognized tax benefits of \$650 million relating to uncertain tax positions as of December 31, 2022. Management evaluates and accounts for uncertain tax positions using a two-step approach. Recognition, step one, occurs when management concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement, step two, determines the largest amount of benefit that is greater than 50% likely to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. The Company is in various stages of examination in connection with its ongoing tax audits globally and management believes that an adequate provision has been recorded for any adjustments that may result from tax audits. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Company's tax audits are resolved in a manner not consistent with management's expectations, management may be required to record an adjustment to the provision for (benefit from) income taxes in the period such resolution occurs.

The principal considerations for our determination that performing procedures relating to uncertain tax positions is a critical audit matter are (i) the significant judgment by management when determining uncertain tax positions, including a high degree of estimation uncertainty relative to the technical merits and the measurement of the tax positions based on interpretations of tax laws and legal rulings; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to management's recognition and measurement of uncertain tax positions; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the recognition and measurement of the liability for uncertain tax positions and controls addressing completeness of the uncertain tax positions. These procedures also included, among others, (i) testing the completeness of management's assessment of the identification of uncertain tax positions; (ii) testing the recognition and measurement of the liability for uncertain tax positions, including management's assessment of the technical merits of the tax positions and the amount of tax benefit expected to be sustained; (iii) testing the information used in the calculation of the liability for uncertain tax positions, including intercompany agreements, international, federal, and state filing positions, and the related final tax returns; (iv) evaluating the status and results of income tax audits with the relevant tax authorities; and (v) evaluating third party income tax documentation obtained by the Company. Professionals with specialized skill and knowledge were used to assist in the evaluation of the completeness and measurement of the Company's uncertain tax positions, including evaluating the reasonableness of management's assessment of whether tax positions are more-likely-than-not of being sustained and the amount of potential benefit to be realized, the application of relevant tax laws, and estimated interest and penalties.

/s/ PricewaterhouseCoopers LLP
San Francisco, California
February 17, 2023

We have served as the Company's auditor since 2011.

Airbnb, Inc.
Consolidated Balance Sheets
(in millions, except par value)

	December 31,	
	2021	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,067	\$ 7,378
Marketable securities	2,255	2,244
Funds receivable and amounts held on behalf of customers	3,715	4,783
Prepays and other current assets (including customer receivables of \$143 and \$200 and allowances of \$31 and \$39, respectively)	349	456
Total current assets	12,386	14,861
Property and equipment, net	157	121
Operating lease right-of-use assets	272	138
Intangible assets, net	52	34
Goodwill	653	650
Other assets, noncurrent	188	234
Total assets	\$ 13,708	\$ 16,038
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 118	\$ 137
Operating lease liabilities, current	63	59
Accrued expenses and other current liabilities	1,559	1,817
Funds payable and amounts payable to customers	3,715	4,783
Unearned fees	904	1,182
Total current liabilities	6,359	7,978
Long-term debt	1,983	1,987
Operating lease liabilities, noncurrent	372	295
Other liabilities, noncurrent	219	218
Total liabilities	8,933	10,478
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock, \$0.0001 par value:		
Class A - authorized 2,000 shares; 408 shares issued and outstanding as of December 31, 2022;		
Class B - authorized 710 shares; 223 shares issued and outstanding as of December 31, 2022;		
Class C - authorized 2,000 shares; zero shares of Class C common stock issued and outstanding as of December 31, 2022;		
Class H - authorized 26 shares; 9 shares issued and none outstanding as of December 31, 2022	—	—
Additional paid-in capital	11,140	11,557
Accumulated other comprehensive loss	(7)	(32)
Accumulated deficit	(6,358)	(5,965)
Total stockholders' equity	4,775	5,560
Total liabilities and stockholders' equity	\$ 13,708	\$ 16,038

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

Airbnb, Inc.
Consolidated Statements of Operations
(in millions, except per share amounts)

	Year Ended December 31,		
	2020	2021	2022
Revenue	\$ 3,378	\$ 5,992	\$ 8,399
Costs and expenses:			
Cost of revenue	876	1,156	1,499
Operations and support	878	847	1,041
Product development	2,753	1,425	1,502
Sales and marketing	1,175	1,186	1,516
General and administrative	1,135	836	950
Restructuring charges	151	113	89
Total costs and expenses	<hr/> 6,968	<hr/> 5,563	<hr/> 6,597
Income (loss) from operations	(3,590)	429	1,802
Interest income	27	13	186
Interest expense	(172)	(438)	(24)
Other income (expense), net	(947)	(304)	25
Income (loss) before income taxes	(4,682)	(300)	1,989
Provision for (benefit from) income taxes	(97)	52	96
Net income (loss)	<hr/> \$ (4,585)	<hr/> \$ (352)	<hr/> \$ 1,893
Net income (loss) per share attributable to Class A and Class B common stockholders:			
Basic	\$ (16.12)	\$ (0.57)	2.97
Diluted	<hr/> \$ (16.12)	<hr/> \$ (0.57)	<hr/> 2.79
Weighted-average shares used in computing net income (loss) per share attributable to Class A and Class B common stockholders:			
Basic	284	616	637
Diluted	284	616	680

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

Airbnb, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(in millions)

	Year Ended December 31,		
	2020	2021	2022
Net income (loss)	\$ (4,585)	\$ (352)	\$ 1,893
Other comprehensive income (loss):			
Net unrealized loss on available-for-sale marketable securities, net of tax	—	(4)	(15)
Foreign currency translation adjustments	7	(6)	(10)
Other comprehensive income (loss)	7	(10)	(25)
Comprehensive income (loss)	\$ (4,578)	\$ (362)	\$ 1,868

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

Airbnb, Inc.

Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)

(in millions)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balances as of December 31, 2019	240	\$ 3,232	264	\$ —*	617	\$ (4)	\$ (1,421)	\$ (808)
Net loss	—	—	—	—	—	—	(4,585)	(4,585)
Other comprehensive income	—	—	—	—	—	7	—	7
Capital contribution from founders	—	—	—	—	15	—	—	15
Exercise of common stock options	—	—	7	\$ —*	15	—	—	15
Issuance of common stock in connection with initial public offering, net of underwriting discounts and issuance costs	—	—	55	\$ —*	3,651	—	—	3,651
Issuance of common stock upon settlement of RSUs, net of shares withheld for taxes	—	—	32	\$ —*	(1,650)	—	—	(1,650)
Conversion of redeemable convertible preferred stock to common stock in connection with initial public offering	(240)	(3,232)	241	\$ —*	3,231	—	—	3,231
Settlement of contingent consideration liability settled in shares	—	—	—	—	22	—	—	22
Stock-based compensation	—	—	—	—	3,003	—	—	3,003
Balances as of December 31, 2020	—	—	599	\$ —*	8,904	3	(6,006)	2,901
Net loss	—	—	—	—	—	—	(352)	(352)
Other comprehensive loss	—	—	—	—	—	(10)	—	(10)
Exercise of common stock options	—	—	18	\$ —*	138	—	—	138
Issuance of common stock upon settlement of RSUs, net of shares withheld for taxes	—	—	16	\$ —*	(44)	—	—	(44)
Reclassification of derivative warrant liability to equity	—	—	—	—	1,277	—	—	1,277
Purchase of capped calls	—	—	—	—	(100)	—	—	(100)
Issuance of common stock under employee stock purchase plan, net of shares withheld	—	—	1	\$ —*	51	—	—	51
Stock-based compensation	—	—	—	—	914	—	—	914
Balances as of December 31, 2021	— \$ —	—	634	\$ —*	11,140	\$ (7)	\$ (6,358)	\$ 4,775

* Amounts round to zero and do not change rounded totals.

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

Airbnb, Inc.

Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit) (in millions)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balances as of December 31, 2021	—	\$ —	634	\$ —*	11,140	\$ (7)	\$ (6,358)	\$ 4,775
Net income	—	—	—	—	—	—	—	1,893
Other comprehensive loss	—	—	—	—	—	(25)	—	(25)
Exercise of common stock options	—	—	3	\$ —*	40	—	—	40
Issuance of common stock upon settlement of RSUs, net of shares withheld for taxes	—	—	8	\$ —*	(612)	—	—	(612)
Issuance of common stock under employee stock purchase plan, net of shares withheld for taxes	—	—	—*	—*	48	—	—	48
Stock-based compensation	—	—	—	—	941	—	—	941
Repurchases of common stock	—	—	(14)	\$ —*	—	—	(1,500)	(1,500)
Balances as of December 31, 2022	—	\$ —	631	\$ —*	11,557	\$ (32)	\$ (5,965)	\$ 5,560

* Amounts round to zero and do not change rounded totals.

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

Airbnb, Inc.
Consolidated Statements of Cash Flows
(in millions)

	Year Ended December 31,		
	2020	2021	2022
Cash flows from operating activities:			
Net income (loss)	\$ (4,585)	\$ (352)	\$ 1,893
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:			
Depreciation and amortization	126	138	81
Bad debt expense	108	27	49
Stock-based compensation expense	3,003	899	930
Deferred income taxes	(20)	11	(1)
Impairment of investments	82	3	—
(Gain) loss on investments, net	31	(8)	(2)
Change in fair value of warrant liability	869	292	—
Foreign exchange (gain) loss	(53)	24	62
Impairment of long-lived assets	36	113	91
Loss from extinguishment of debt	—	377	—
Other, net	58	28	8
Changes in operating assets and liabilities:			
Prepays and other assets	(4)	(54)	(226)
Operating lease right-of-use assets	(33)	25	41
Accounts payable	(73)	40	20
Accrued expenses and other liabilities	(79)	288	273
Operating lease liabilities	61	(34)	(69)
Unearned fees	(267)	496	280
Net cash provided by (used in) operating activities	<u>(740)</u>	<u>2,313</u>	<u>3,430</u>
Cash flows from investing activities:			
Purchases of property and equipment	(37)	(25)	(25)
Purchases of marketable securities	(3,033)	(4,938)	(4,072)
Sales of marketable securities	1,348	1,584	909
Maturities of marketable securities	1,810	2,027	3,162
Other investing activities, net	(8)	—	(2)
Net cash provided by (used in) investing activities	<u>80</u>	<u>(1,352)</u>	<u>(28)</u>

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

Airbnb, Inc.
Consolidated Statements of Cash Flows
(in millions)

	Year Ended December 31,		
	2020	2021	2022
Cash flows from financing activities:			
Proceeds from issuance of common stock upon initial public offering, net of underwriting discounts and offering costs	\$ 3,651	\$ —	\$ —
Taxes paid related to net share settlement of equity awards	(1,527)	(177)	(607)
Proceeds from exercise of stock options	15	138	40
Proceeds from the issuance of common stock under employee stock purchase plan	—	51	48
Repurchases of common stock	—	—	(1,500)
Principal repayment of long-term debt	(5)	(1,995)	—
Prepayment penalty on long-term debt	—	(213)	—
Proceeds from issuance of long-term debt and warrants, net of issuance costs	1,929	—	—
Proceeds from issuance of convertible senior notes, net of issuance costs	—	1,979	—
Purchases of capped calls related to convertible senior notes	—	(100)	—
Change in funds payable and amounts payable to customers	(1,024)	1,625	1,330
Other financing activities, net	12	—	—
Net cash provided by (used in) financing activities	3,051	1,308	(689)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	134	(210)	(337)
Net increase in cash, cash equivalents, and restricted cash	2,525	2,059	2,376
Cash, cash equivalents, and restricted cash, beginning of year	5,143	7,668	9,727
Cash, cash equivalents, and restricted cash, end of year	\$ 7,668	\$ 9,727	\$ 12,103
Supplemental disclosures of cash flow information:			
Cash paid for income taxes, net of refunds	\$ 15	\$ 17	\$ 68
Cash paid for interest	\$ 130	\$ 50	\$ 8

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

Airbnb, Inc.

Notes to Consolidated Financial Statements

Note 1. Description of Business

Airbnb, Inc. (the "Company" or "Airbnb") was incorporated in Delaware in June 2008 and is headquartered in San Francisco, California. The Company operates a global platform for unique stays and experiences. The Company's marketplace model connects Hosts and guests (collectively referred to as "customers") online or through mobile devices to book spaces and experiences around the world.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") and include accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company has changed its presentation from thousands to millions and, as a result, any necessary rounding adjustments have been made to prior period disclosed amounts.

Stock Split

On October 26, 2020, the Company effected a two-for-one stock split of its common stock and redeemable convertible preferred stock. All share and per share information has been retroactively adjusted to reflect the stock split for all periods presented.

Initial Public Offering

The Company's registration statement on Form S-1 (the "IPO Registration Statement") related to its initial public offering ("IPO") was declared effective on December 9, 2020 and the Company's Class A common stock began trading on the Nasdaq Global Select Market on December 10, 2020. On December 14, 2020, the Company completed its IPO, in which the Company sold 50.0 million shares of Class A common stock at a price to the public of \$68.00 per share. On the same day, the Company sold an additional 5.0 million shares of Class A common stock at a price to the public of \$68.00 per share pursuant to the exercise of the underwriters' option to purchase additional shares. The Company received aggregate net proceeds of \$3.7 billion after deducting underwriting discounts and commissions of \$79.3 million and offering expenses of \$9.8 million.

Upon completing the IPO, all outstanding shares of the Company's redeemable convertible preferred stock, of which 239.6 million shares were outstanding prior to the IPO, converted into an aggregate of 240.9 million shares of the Company's Class B common stock, including 1.3 million shares of common stock issuable pursuant to the anti-dilution adjustment provisions relating to the Company's Series C redeemable convertible preferred stock.

Upon the Company's IPO, the Company recognized \$2.8 billion of stock-based compensation expense for awards with a liquidity-event performance-based vesting condition satisfied at IPO. Shares were then issued related to the vesting of the restricted stock units ("RSUs") with such performance-based vesting conditions. The Company withheld 24.2 million shares of common stock based on the IPO price of \$68.00 per share to satisfy tax withholding and remittance of approximately \$1.6 billion.

Under the Company's restated certificate of incorporation, which became effective immediately prior to the completion of the IPO, the Company is authorized to issue 4.7 billion shares of common stock, including 2.0 billion shares of Class A common stock, 710.0 million shares of Class B common stock, 2.0 billion shares of Class C common stock and 26.0 million shares of Class H common stock. As a result, following the completion of the IPO, the Company has four classes of authorized common stock: Class A, Class B, Class C, and Class H common stock, of which Class A and Class B had shares outstanding as of December 31, 2020. In November 2020, 9.2 million shares of Class H common stock were issued to the Company's wholly-owned Host Endowment Fund subsidiary and held as treasury stock.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries and variable interest entities ("VIE") in which the Company is the primary beneficiary in accordance with consolidation accounting guidance. All intercompany transactions have been eliminated in consolidation.

The Company determines, at the inception of each arrangement, whether an entity in which it has made an investment or in which it has other variable interest in is considered a VIE. The Company consolidates a VIE when it is deemed to be the primary beneficiary. The primary beneficiary of a VIE is the party that meets both of the following criteria: (i) has the power to direct the activities that most significantly affect the economic performance of the VIE; and (ii) has the obligation to absorb losses or the right to receive benefits that in either case could potentially be significant to the VIE. Periodically, the Company determines whether any changes in its interest or relationship with the entity impact the determination of whether the entity is still a VIE and, if so, whether the Company is the primary beneficiary. If the Company is not deemed to be the primary beneficiary in a VIE, the Company accounts for the investment or other variable interest in a VIE in accordance with applicable U.S. GAAP. As of December 31, 2021 and 2022, the Company's consolidated VIEs were not material to the consolidated financial statements.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company regularly evaluates its estimates, including those related to bad debt reserves, fair value of investments, useful lives of long-lived assets and

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Airbnb, Inc.

Notes to Consolidated Financial Statements

intangible assets, valuation of goodwill and intangible assets from acquisitions, contingent liabilities, insurance reserves, revenue recognition, valuation of common stock, stock-based compensation, and income and non-income taxes, among others. Actual results could differ materially from these estimates.

As the impact of the coronavirus disease ("COVID-19") pandemic and the challenging macroeconomic conditions, including inflation and rising interest rates, and potential decreased consumer spending, continues to evolve, estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require increased judgment. These estimates and assumptions may change in future periods and will be recognized in the consolidated financial statements as new events occur and additional information becomes known. To the extent the Company's actual results differ materially from those estimates and assumptions, the Company's future consolidated financial statements could be affected.

Segment Information

Operating segments are defined as components of an entity for which discrete financial information is available and is regularly reviewed by the Chief Operating Decision Maker ("CODM") in making decisions regarding resource allocation and performance assessment. The Company's CODM is its Chief Executive Officer. The Company has determined it has one operating and reportable segment as the CODM reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance.

Cash and Cash Equivalents

Cash and cash equivalents are held in checking and interest-bearing accounts and consist of cash and highly-liquid securities with an original maturity of 90 days or less.

Marketable Securities

The Company considers all highly-liquid investments with original maturities of greater than 90 days to be marketable securities. The Company determines the appropriate classification of its investments in marketable securities at the time of purchase. As the Company views these investments as available to support current operations, it accounts for these debt securities as available-for-sale and classifies them as short-term assets on its consolidated balance sheets. The Company determines realized gains or losses on the sale of equity and debt securities on a specific identification method.

Unrealized gains and non-credit related losses on available-for-sale debt securities are reported as a component of accumulated other comprehensive income (loss) in stockholders' equity (deficit). Realized gains and losses and impairments are reported within other income (expense), net in the consolidated statements of operations. The assessment for impairment takes into account the severity and duration of the decline in value, adverse changes in the market or industry of the investee, the Company's intent to sell the security, and whether it is more likely than not that it will be required to sell the security before recovery of the amortized cost basis.

The Company's marketable equity securities with readily determinable fair values are measured at fair value on a recurring basis with changes in fair value recognized within other income (expense), net in the consolidated statements of operations.

The Company records an impairment of its available-for-sale debt securities if the amortized cost basis exceeds its fair value and if the Company has the intention to sell the security or if it is more likely than not that the Company will be required to sell the security before recovery of the amortized cost basis. If the Company does not have the intention to sell the security and it is not more likely than not that the Company will be required to sell the security before recovery of the amortized cost basis and the Company determines that the unrealized loss is entirely or partially due to credit-related factors, the credit loss is measured and recognized as an allowance on the consolidated balance sheets with a corresponding charge in the consolidated statements of operations. The allowance is measured as the amount by which the debt security's amortized cost basis exceeds the Company's best estimate of the present value of cash flows expected to be collected. Any remaining decline in fair value that is non-credit related is recognized in other comprehensive income (loss). Improvements in expected cash flows due to improvements in credit are recognized through reversal of the credit loss and corresponding reduction in the allowance for credit loss.

Non-Marketable Investments

Non-marketable investments consist of debt and equity investments in privately-held companies, which are classified as other assets, noncurrent on the consolidated balance sheets. The Company classifies its non-marketable investments that meet the definition of a debt security as available-for-sale. The accounting policy for debt securities classified as available-for-sale is described above. The Company's non-marketable equity investments are accounted for using either the equity method of accounting or as equity investments without readily determinable fair values under the measurement alternative.

The Company uses the equity method if it has the ability to exercise significant influence, but not control, over the operating and financial policies of the investee. For investments accounted for using the equity method, the Company's proportionate share of its equity interest in the net income (loss) and other comprehensive income (loss) of these companies is recorded in the consolidated statements of operations within other income (expense), net. The carrying amount of the investment in equity interests is adjusted to reflect the Company's interest in the investee's net income or loss and any impairments and is classified in other assets, noncurrent on the consolidated balance sheets.

Equity investments for which the Company is not able to exercise significant influence over the investee and for which fair value is not readily determinable are accounted for using the measurement alternative. Such investments are carried at cost, less any impairments, and are adjusted for subsequent observable price changes obtained from orderly transactions for identical or similar investments issued by the same investee. This election is reassessed each reporting period to determine whether non-marketable equity securities have a readily

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Airbnb, Inc.

Notes to Consolidated Financial Statements

determinable fair value, in which case they would no longer be eligible for this election. Changes in the basis of the equity investment are recognized in other income (expense), net in the consolidated statements of operations.

The Company reviews its non-marketable debt and equity investments for impairment at the end of each reporting period or whenever events or circumstances indicate that the carrying value may not be fully recoverable. Impairment indicators might include negative changes in industry and market conditions, financial performance, business prospects, and other relevant events and factors. Upon determining that an impairment exists, the Company recognizes as an impairment in other income (expense), net in the consolidated statements of operations the amount by which the carrying value exceeds the fair value of the investment.

Fair Value of Financial Instruments

The Company applies fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements. The authoritative guidance on fair value measurements establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. This hierarchy requires the Company to use observable market data when available and to minimize the use of unobservable inputs when determining fair value. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and disclosed at fair value are classified and disclosed based on the observability of inputs used in the determination of fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Observable inputs other than Level 1 prices, such as quoted prices in less active markets or model-derived valuations that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data that are significant to the fair value of the assets or liabilities.

The carrying amount of the Company's financial instruments, including cash equivalents, funds receivable and amounts held on behalf of customers, accounts payable, accrued liabilities, funds payable and amounts payable to customers, and unearned fees approximate their respective fair values because of their short maturities.

Level 2 Valuation Techniques

Financial instruments classified as Level 2 within the Company's fair value hierarchy are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. Prices of these securities are obtained through independent, third-party pricing services and include market quotations that may include both observable and unobservable inputs. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments, and various relationships between investments. The Company's foreign exchange derivative instruments are valued using pricing models that take into account the contract terms, as well as multiple inputs where applicable, such as interest rate yield curves and currency rates.

Level 3 Valuation Techniques

Financial instruments classified as Level 3 within the Company's fair value hierarchy consist primarily of a derivative warrant liability relating to the warrants issued in conjunction with the second lien loan discussed in Note 9, *Debt*. Valuation techniques for the derivative warrant liability include the Black-Scholes option-pricing model with key assumptions such as stock price volatility, expected term, and risk-free interest rates.

Internal-Use Software

The Company capitalizes certain costs in connection with obtaining or developing software for internal use. Amortization of such costs begins when the project is substantially complete and ready for its intended use. Capitalized software development costs are classified as

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Airbnb, Inc.

Notes to Consolidated Financial Statements

property and equipment, net on the consolidated balance sheets and are amortized using the straight-line method over the estimated useful life of the applicable software.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization.

Depreciation and amortization on property and equipment is calculated using the straight-line method over the estimated useful lives indicated below:

Asset Category	Period
Computer equipment	5 years
Computer software and capitalized internal-use software	1.5 to 3 years
Office furniture and equipment	5 years
Buildings	25 to 40 years
Leasehold improvements	Lesser of estimated useful life or remaining lease term

Costs of maintenance and repairs that do not improve or extend the useful lives of assets are expensed as incurred. Upon retirement or sale, the cost and related accumulated depreciation are removed from the consolidated balance sheet and the resulting gain or loss is reflected in the consolidated statements of operations.

Leases

The Company determines whether an arrangement is or contains a lease at inception. Operating lease right-of-use ("ROU") assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease ROU assets represent the Company's right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, lease incentives, and impairment of operating lease assets. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company has real estate and equipment lease agreements that contain lease and non-lease components, which are accounted for as a single lease component.

The Company's leases often contain rent escalations over the lease term. The Company recognizes expense for these leases on a straight-line basis over the lease term. Additionally, tenant incentives, primarily used to fund leasehold improvements, are recognized when earned and reduce the Company's right-of-use asset related to the lease. These are amortized through the right-of-use asset as reductions of expense over the lease term.

The Company's lease agreements may contain variable costs such as common area maintenance, operating expenses, or other costs. Variable lease costs are expensed as incurred on the consolidated statements of operations. The Company's lease agreements generally do not contain any residual value guarantees or restrictive covenants.

For substantially all leases with an initial non-cancelable lease term of less than one year and no option to purchase, the Company elected not to recognize the lease on its Consolidated Balance Sheets and instead recognize rent payments on a straight-line basis over the lease term within operating expense on its Consolidated Statements of Operations.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. The Company has one reporting unit. The Company tests goodwill for impairment at least annually in the fourth quarter, or whenever events or changes in circumstances indicate that goodwill might be impaired. The Company uses a two-step process to assess the realizability of goodwill. The first step, Step 0, is a qualitative assessment that analyzes current economic indicators associated with a particular reporting unit. For example, the Company analyzes changes in economic, market and industry conditions, business strategy, cost factors, and financial performance, among others, to determine if there would be a significant decline to the fair value of a reporting unit. A qualitative assessment also includes analyzing the excess fair value of a reporting unit over its carrying value from impairment assessments performed in previous years. If the qualitative assessment indicates a stable or improved fair value, no further testing is required.

If a qualitative assessment indicates that a significant decline to fair value of a reporting unit is more likely than not, or if a reporting unit's fair value has historically been closer to its carrying value, the Company will proceed to Step 1 testing where the Company calculates the fair value of a reporting unit. If Step 1 indicates that the carrying value of a reporting unit is in excess of its fair value, the Company will record an impairment equal to the amount by which a reporting unit's carrying value exceeds its fair value.

Airbnb, Inc.

Notes to Consolidated Financial Statements

There were no impairment charges in any of the periods presented in the consolidated financial statements.

Intangible Assets

Intangible assets are amortized on a straight-line basis over the estimated useful lives ranging from one to ten years. The Company reviews intangible assets for impairment under the long-lived asset model described below. There were no impairment charges in any of the periods presented in the consolidated financial statements.

Impairment of Long-Lived Assets

Long-lived assets that are held and used by the Company are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Determination of recoverability of long-lived assets is based on an estimate of the undiscounted cash flows resulting from the use of the asset and its eventual disposition. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as necessary.

Any impairments to ROU assets, leasehold improvements, or other assets as a result of a sublease, abandonment, or other similar factor are recorded as an operating expense. Similar to other long-lived assets, management tests ROU assets for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. For ROU assets, such circumstances may include subleases that do not fully recover the costs of the associated leases or a decision to abandon the use of all or part of an asset. For the years ended December 31, 2020 and 2021, the Company recorded \$35.8 million and \$112.5 million, respectively, of long-lived asset impairment charges within restructuring charges in the consolidated statement of operations. For the year ended December 31, 2022, the Company recorded \$91.4 million of long-lived asset impairment, of which \$88.9 million was recorded within restructuring charges and the remainder within general and administrative, in the consolidated statements of operations.

Revenue Recognition

The Company generates substantially all of its revenue from facilitating guest stays at accommodations offered by Hosts on the Company's platform.

The Company considers both Hosts and guests to be its customers. The customers agree to the Company's Terms of Service ("ToS") to use the Company's platform. Upon confirmation of a booking made by a guest, the Host agrees to provide the use of the property. At such time, the Host and guest also agree upon the applicable booking value as well as Host fees and guest fees (collectively "service fees"). The Company charges service fees in exchange for certain activities, including the use of the Company's platform, customer support, and payment processing activities. These activities are not distinct from each other and are not separate performance obligations. As a result, the Company's single performance obligation is to facilitate a stay, which occurs upon the completion of a check-in event (a "check-in"). The Company recognizes revenue upon check-in as its performance obligation is satisfied upon check-in and the Company has the right to receive payment for the fulfillment of the performance obligation.

The Company charges service fees to its customers as a percentage of the value of the booking, excluding taxes. The Company collects both the booking value from the guest on behalf of the Host and the applicable guest fees owed to the Company using the guest's pre-authorized payment method. After check-in, the Company disburses the booking value to the Host, less the fees due from the Host to the Company. The Company's ToS stipulates that a Host may cancel a confirmed booking at any time up to check-in. Therefore, the Company determined that for accounting purposes, each booking is a separate contract with the Host and guest, and the contracts are not enforceable until check-in. Since an enforceable contract for accounting purposes is not established until check-in, there were no partially satisfied or unsatisfied performance obligations as of December 31, 2021 and 2022. The service fees collected from customers prior to check-in are recorded as unearned fees. Unearned fees are not considered contract balances because they are subject to refund in the event of a cancellation.

Guest stays of at least 28 nights are considered long-term stays. The Company charges service fees to facilitate long-term stays on a monthly basis. Such stays are generally cancelable with a 30 days advance notice for no significant penalty. Accordingly, long-term stays are treated as month-to-month contracts; each month is a separate contract with the Host and guest, and the contracts are not enforceable until check-in for the initial month as well as subsequent monthly extensions. The Company's performance obligation for long-term stays is the same as that for short-term stays. The Company recognizes revenue for the first month upon check-in, similar to short-term stays, and recognizes revenue for any subsequent months upon each month's anniversary from initial check-in date.

The Company evaluates the presentation of revenue on a gross versus net basis based on whether or not it is the principal (gross) or the agent (net) in the transaction. As part of the evaluation, the Company considers whether it controls the right to use the property before control is transferred. Indicators of control that the Company considers include whether the Company is primarily responsible for fulfilling the promise associated with the rental of the property, whether it has inventory risk associated with the property, and whether it has discretion in establishing the prices for the property. The Company determined that it does not control the right to use the properties either before or after completion of its service. Accordingly, the Company has concluded that it is acting in an agent capacity and revenue is presented net reflecting the service fees received from Hosts and guests to facilitate a stay.

The Company has elected to recognize the incremental costs of obtaining a contract, including the costs of certain referrer fees, as an expense when incurred as the amortization period of the asset that the Company otherwise would have recognized is one year or less. The Company has no significant financing components in its contracts with customers.

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Notes to Consolidated Financial Statements

The Company has elected to exclude from revenue, taxes assessed by a governmental authority that are both imposed on and are concurrent with specific revenue producing transactions. Accordingly, such amounts are not included as a component of revenue or cost of revenue.

Payments to Customers

The Company makes payments to customers as part of its referral programs and marketing promotions, collectively referred to as the Company's incentive programs, and refund activities. The payments are generally in the form of coupon credits to be applied toward future bookings or as cash refunds.

Incentive Programs

The Company encourages the use of its platform and attracts new customers through its incentive programs. Under the Company's referral program, the referring party (the "referrer") earns a coupon when the new guest or Host (the "referee") completes their first stay on the Company's platform. Incentives earned by customers for referring new customers are paid in exchange for a distinct service and are accounted for as customer acquisition costs. The Company records the incentive as a liability at the time the incentive is earned by the referrer with the corresponding charge recorded to sales and marketing expense in the same way the Company accounts for other marketing services from third-party vendors. Any amounts paid in excess of the fair value of the referral service received are recorded as a reduction of revenue. Fair value of the service is established using amounts paid to vendors for similar services. Customer referral coupon credits generally expire within one year from issuance and the Company estimates the redemption rates using its historical experience. As of December 31, 2021 and 2022, the referral coupon liability was not material.

Through marketing promotions, the Company issues customer coupon credits to encourage the use of its platform. After a customer redeems such incentives, the Company records a reduction to revenue at the date it records the corresponding revenue transaction, as the Company does not receive a distinct good or service in exchange for the customer incentive payment.

Refunds

In certain instances, the Company issues refunds to customers as part of its customer support activities in the form of cash or credits to be applied toward a future booking. There is no legal obligation to issue such refunds to Hosts or guests on behalf of its customers. The Company accounts for refunds, net of any recoveries, as variable consideration, which results in a reduction to revenue. The Company reduces the transaction price by the estimated amount of the payments by applying the most likely outcome method based on known facts and circumstances and historical experience. The estimate for variable consideration was not material as of December 31, 2021 and 2022.

The Company evaluates whether the cumulative amount of payments made to customers that are not in exchange for a distinct good or service received from customers exceeds the cumulative revenue earned since inception of the customer relationships. Any cumulative payments in excess of cumulative revenue are presented within operations and support or sales and marketing on the consolidated statements of operations based on the nature of the payments made to customers.

Funds Receivable and Funds Payable

Funds receivable and amounts held on behalf of customers represent cash received or in-transit from guests via third-party credit card processors and other payment methods, which the Company remits for payment to the Hosts following check-in. This cash and related receivable represent the total amount due to Hosts, and as such, a liability for the same amount is recorded to funds payable and amounts payable to customers.

The Company records guest payments, net of service fees, as funds receivable and amounts held on behalf of customers with a corresponding amount in funds payable and amounts payable to customers when cash is received in advance of check-in. Host and guest fees are recorded as cash with a corresponding amount in unearned fees. For certain bookings, a guest may opt to pay a percentage of the total amount due when the booking is confirmed, with the remaining balance due prior to the stay occurring (the "Pay Less Upfront Program"). Under the Pay Less Upfront Program, when the Company receives the first installment payment from the guest upon confirmation of the booking, the Company records the first installment payment as funds receivable and amounts held on behalf of customers with a corresponding amount in funds payable and amounts payable to customers, net of the Host and guest fees. The full value of the service fees is recorded as cash and cash equivalents and unearned fees upon receipt of the first installment payment to represent what the Company expects to be recognized as revenue if the underlying booking is not canceled. Upon receipt of the second installment, such payment amounts are also recorded as funds receivable and amounts held on behalf of customers with a corresponding amount in funds payable and amounts payable to customers.

Following check-in, the Company remits funds due to Hosts and recognizes unearned fees as revenue as its performance obligation is satisfied.

Bad Debt

The Company generally collects funds related to bookings from guests on behalf of Hosts prior to check-in. However, in limited circumstances the Company disburses funds to a Host or a guest on behalf of a counterparty guest or Host prior to collecting such amounts from the counterparty. Such uncollected balances generally arise from the timing of payments and collections related to a dispute resolution between the guest and Host or certain alterations to stays and are included in prepaids and other current assets on the consolidated balance sheets. The Company records a customer receivable allowance for credit losses for funds that may never be collected. The Company estimated its exposure to balances deemed to be uncollectible based on factors including known facts and circumstances, historical experience, reasonable and supportable forecasts of economic conditions, and the age of the uncollected

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balances. The Company writes off the asset when it is determined to be uncollectible. Bad debt expense was \$107.7 million, \$27.3 million, and \$49.0 million for the years ended December 31, 2020, 2021, and 2022, respectively.

Cost of Revenue

Cost of revenue primarily consists of payment processing charges, including merchant fees and chargebacks, costs associated with third-party data centers used to host the Company's platform, and amortization of internally developed software and acquired technology.

Operations and Support

Operations and support costs primarily consist of personnel-related expenses and third-party service provider fees associated with customer support provided via phone, email, and chat to Hosts and guests, customer relations costs, which include refunds and credits related to customer satisfaction and expenses associated with the Company's Host protection programs, and allocated costs for facilities and information technology. These costs are expensed as incurred.

Product Development

Product development costs primarily consist of personnel-related expenses and third-party service provider fees incurred in connection with the development of the Company's platform and new products as well as the improvement of existing products, and allocated costs for facilities and information technology. These costs are expensed as incurred.

Sales and Marketing

Sales and marketing costs primarily consist of performance and brand marketing, personnel-related expenses, including those related to field operations, portions of referral incentives and coupons, policy and communications, and allocated costs for facilities and information technology. These costs are expensed as incurred. Advertising expenses were \$176.0 million, \$542.1 million, and \$786.1 million for the years ended December 31, 2020, 2021, and 2022, respectively.

General and Administrative

General and administrative costs primarily consist of personnel-related expenses for executive management and administrative functions, including finance and accounting, legal, and human resources, as well as general corporate and director and officer insurance. General and administrative costs also include certain professional services fees, allocated costs for facilities and information technology expenses, indirect taxes including lodging taxes where the Company may be held jointly liable with Hosts for collecting and remitting such taxes, and bad debt expense. These costs are expensed as incurred.

Restructuring Charges

Costs and liabilities associated with management-approved restructuring activities are recognized when they are incurred. One-time employee termination costs are recognized at the time of communication to employees, unless future service is required, in which case the costs are recognized ratably over the future service period. Ongoing employee termination benefits are recognized as a liability when it is probable that a liability exists and the amount is reasonably estimable. Restructuring charges are recognized as an operating expense within the consolidated statements of operations and related liabilities are recorded within accrued expenses and other liabilities on the consolidated balance sheets. The Company periodically evaluates and, if necessary, adjusts its estimates based on currently available information.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax law in effect for the years in which the temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date.

A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. In determining the need for a valuation allowance, the Company weighs both positive and negative evidence in the various jurisdictions in which it operates to determine whether it is more likely than not that its deferred tax assets are recoverable. The Company regularly assesses all available evidence, including cumulative historic losses, forecasted earnings, if carryback is permitted under the law, carryforward periods, and prudent and feasible tax planning strategies.

The Company evaluates and accounts for uncertain tax positions using a two-step approach. Recognition, step one, occurs when the Company concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustained upon examination. Measurement, step two, determines the largest amount of benefit that is greater than 50% likely to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. Derecognition of a tax position that was previously recognized would occur when the Company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained.

Foreign Currency

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The Company's reporting currency is the U.S. dollar. The Company determines the functional currency for each of its foreign subsidiaries by reviewing their operations and currencies used in their primary economic environments. Assets and liabilities for foreign subsidiaries with functional currency other than U.S. dollar are translated into U.S. dollars at the rate of exchange existing at the balance sheet date. Statements of operations amounts are translated at average exchange rates for the period. Translation gains and losses are recorded in accumulated other comprehensive income (loss) as a component of stockholders' equity (deficit). No material amounts were reclassified from accumulated other comprehensive income (loss) for the years ended December 31, 2020, 2021, and 2022.

Remeasurement gains and losses are included in other income (expense), net in the consolidated statements of operations. Monetary assets and liabilities are remeasured at the exchange rate on the balance sheet date and nonmonetary assets and liabilities are measured at historical exchange rates. As of December 31, 2021, and 2022, the Company had a cumulative translation gain of \$2.8 million and \$12.9 million, respectively. Total net realized and unrealized gains (losses) on foreign currency transactions and balances totaled \$31.5 million, \$(5.1) million, and \$29.5 million for the years ended December 31, 2020, 2021, and 2022, respectively.

Derivative Instruments

The Company enters into financial derivative instruments, consisting of foreign currency contracts to mitigate its exposure to the impact of movements in currency exchange rates on its transactional balances denominated in currencies other than the functional currency. The Company does not use derivatives for trading or speculative purposes. Derivative instruments are recognized in the consolidated balance sheets at fair value. Gains and losses resulting from changes in the fair value of derivative instruments that are not designated as hedging instruments for accounting purposes are recognized in other income (expense), net in the consolidated statements of operations in the period that the changes occur.

Share Repurchase

Share repurchases may be made through a variety of methods, which may include open market purchases, privately negotiated transactions, block trades, or accelerated share repurchase transactions, or by any combination of such methods. Share repurchases are recorded at settlement date. When shares are retired, the value of repurchased shares is deducted from stockholders' equity through capital with the excess over par value recorded to accumulated deficit.

Stock-Based Compensation

Stock-based compensation expense primarily relates to restricted stock units ("RSUs"), restricted stock awards ("RSAs"), stock options, and the Employee Stock Purchase Plan ("ESPP"). RSUs and RSAs are measured at the fair market value of the underlying stock at the grant date and the expense is recognized over the requisite service period. The fair value of stock options and ESPP shares are estimated on the date of grant using the Black-Scholes option pricing model to determine the fair value of stock options on the date of grant. The Company estimates the expected term of stock options granted based on the simplified method and estimates the volatility of its common stock on the date of grant based on the average historical stock price volatility of comparable publicly-traded companies. The simplified method calculates the expected term as the mid-point between the weighted-average time to vesting and the contractual maturity. The simplified method is used as the Company does not have sufficient historical data regarding stock option exercises. The contractual term of the Company's stock options is ten years. The Company accounts for forfeitures as they occur. The benefits of tax deductions in excess of recognized compensation costs are recognized in the income statement as a discrete item when an option exercise or a vesting and release of shares occurs.

Prior to the Company's IPO, the absence of an active market for the Company's common stock required the Company's board of directors, which includes members who possess extensive business, finance, and venture capital experience, to determine the fair value of its common stock for purposes of granting stock options and RSUs. The Company obtained contemporaneous third-party valuations to assist the board of directors in determining the fair value of the Company's common stock. All stock options granted were exercisable at a price per share not less than the fair value of the shares of the Company's common stock as determined by the board of directors (the "Fair Value") underlying those stock options on their respective grant dates. Historically, substantially all of the Company's RSUs vested upon the satisfaction of both a service-based vesting condition and liquidity-event performance-based vesting condition. The liquidity-event performance-based vesting condition for RSUs was satisfied upon the effectiveness of the Company's IPO Registration Statement on December 9, 2020. Upon the Company's IPO in December 2020, the Company recorded a cumulative one-time stock-based compensation expense of \$2.8 billion, determined using the grant-date fair values. The remaining unrecognized stock-based compensation expense related to these RSUs is recorded over their remaining requisite service periods.

Net Income (Loss) Per Share Attributable to Common Stockholders

The Company applies the two-class method when computing net income (loss) per share attributable to common stockholders when shares are issued that meet the definition of a participating security. The two-class method determines net income (loss) per share for each class of common stock and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires earnings available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all earnings for the period had been distributed. The Company's previously outstanding redeemable convertible preferred stock was a participating security as the holders of such shares participated in dividends but did not contractually participate in the Company's losses.

Basic net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of shares of common stock outstanding during the period, less weighted-average shares subject to repurchase. The diluted net income (loss) per share is computed by giving effect to all potentially dilutive securities outstanding for the period. For periods in which the Company reports net losses, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, because potentially dilutive common shares are anti-dilutive.

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Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) reflects gains and losses that are recorded as a component of stockholders' equity and are excluded from net loss. Other comprehensive income (loss) consists of foreign currency translation adjustments related to consolidation of foreign entities and unrealized gains (losses) on securities classified as available-for-sale.

Contingencies

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. The Company accrues for losses associated with legal claims when such losses are probable and can be reasonably estimated. These accruals are adjusted as additional information becomes available or circumstances change.

Recently Adopted Accounting Standards

In May 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-04, *Earnings Per Share (Topic 260), Debt - Modifications and Extinguishments (Topic 470-50), Compensation - Stock Compensation (Topic 718), and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)*, which clarifies existing guidance for freestanding written call options which are equity classified and remain so after they are modified or exchanged in order to reduce diversity in practice. The standard is effective for public entities in fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company adopted the standard during the first quarter of 2022, which did not have an impact on the Company's consolidated financial statements.

Recently Issued Accounting Standards Not Yet Adopted

In March 2022, the FASB issued ASU 2022-01, *Derivatives and Hedging (Topic 815)*, which clarifies the guidance on fair value hedge accounting of interest rate risk for portfolios of financial assets. The standard is effective for public entities in fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted on any date on or after the issuance of ASU 2017-12. The Company does not expect the adoption of the new guidance will have a material impact on the Company's consolidated financial statements.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, which clarifies the guidance of equity securities that are subject to a contractual sale restriction as well as includes specific disclosure requirements for such equity securities. The standard is effective for public entities in fiscal years beginning after December 15, 2023, including interim periods within those fiscal years and will be applied prospectively. The Company does not expect the adoption of the new guidance will have a material impact on the Company's consolidated financial statements.

There are other new accounting pronouncements issued by the FASB that the Company has adopted or will adopt, as applicable, and the Company does not believe any of these accounting pronouncements have had, or will have, a material impact on its consolidated financial statements or disclosures.

Prior Period Reclassifications

Certain immaterial amounts in prior periods have been reclassified to conform with current period presentation.

Revision of Previously Issued Financial Statements

The consolidated statements of cash flows for years ended December 31, 2020, and 2021 has been revised to correct for errors identified by management during the preparation of the financial statements for the three months ended March 31, 2022. The errors overstated cash flows from operating activities by \$111.0 million and understated the cash flows from financing activities by \$111.0 million for the year ended December 31, 2020, and understated cash flows from operating activities by \$123.0 million and overstated the cash flows from financing activities by \$123.0 million for the year ended December 31, 2021. Management has determined that these errors did not result in the previously issued financial statements being materially misstated. These errors primarily related to the timing of tax payments from the net settlement of equity awards at the initial public offering in December 2020. In particular, in 2020, the Company reported \$1.7 billion of cash used in financing activities to cover taxes paid related to the net share settlement of its equity awards that vested upon the initial public offering. However, approximately \$123.0 million of this amount was actually remitted to taxing authorities in foreign jurisdictions during 2021. This had no impact on the Company's consolidated financial statements outside of the presentation in the consolidated statements of cash flow and did not affect the consolidated balance sheets, consolidated statements of operations, or consolidated statements of stockholders' equity.

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Notes to Consolidated Financial Statements

Note 3. Supplemental Financial Statement Information

Cash, Cash Equivalents, and Restricted Cash

The following table reconciles cash, cash equivalents, and restricted cash reported on the Company's consolidated balance sheets to the total amount presented in the consolidated statements of cash flows (in millions):

	December 31,	
	2021	2022
Cash and cash equivalents	\$ 6,067	\$ 7,378
Cash and cash equivalents included in funds receivable and amounts held on behalf of customers	3,645	4,708
Restricted cash included in prepaids and other current assets	15	17
Total cash, cash equivalents, and restricted cash presented in the consolidated statements of cash flows	\$ 9,727	\$ 12,103

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in millions):

	December 31,	
	2021	2022
Indirect taxes payable	\$ 310	\$ 418
Compensation and employee benefits	416	380
Indirect tax reserves	183	206
Gift card liability	98	141
Other	552	672
Total accrued expenses and other current liabilities	\$ 1,559	\$ 1,817

Payments to Customers

The Company makes payments to customers as part of its incentive programs (composed of referral programs and marketing promotions) and refund activities. The payments are generally in the form of coupon credits to be applied toward future bookings or as cash refunds.

The following table summarizes total payments made to customers (in millions):

	Year Ended December 31,		
	2020	2021	2022
Reductions to revenue	\$ 384	\$ 156	\$ 284
Charges to operations and support	83	69	88
Charges to sales and marketing expense	57	47	60
Total payments made to customers	\$ 524	\$ 272	\$ 432

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Note 4. Investments

Debt Securities

The following tables summarize the amortized cost, gross unrealized gains and losses, and fair value of the Company's available-for-sale debt securities aggregated by investment category (in millions):

	December 31, 2021				Classification as of December 31, 2021		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value	Cash and Cash Equivalents	Marketable Securities	Other Assets, Noncurrent
Certificates of deposit	\$ 395	\$ —	\$ —	\$ 395	\$ 31	\$ 364	—
Government bonds ⁽¹⁾	1	—	—	1	—	1	—
Commercial paper	1,157	—	—	1,157	164	993	—
Corporate debt securities	918	—	(3)	915	42	863	10
Mortgage-backed and asset-backed securities	34	—	—	34	—	34	—
Total	\$ 2,505	\$ —	\$ (3)	\$ 2,502	\$ 237	\$ 2,255	10

(1) Includes U.S. government and government agency debt securities

	December 31, 2022				Classification as of December 31, 2022		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Total Estimated Fair Value	Cash and Cash Equivalents	Marketable Securities	Other Assets, Noncurrent
Certificates of deposit	\$ 599	\$ —	\$ —	\$ 599	\$ 26	\$ 573	—
Government bonds ⁽¹⁾	115	—	—	115	32	83	—
Commercial paper	901	—	—	901	327	574	—
Corporate debt securities	1,046	1	(16)	1,031	68	959	4
Mortgage-backed and asset-backed securities	37	—	(3)	34	—	34	—
Total	\$ 2,698	\$ 1	\$ (19)	\$ 2,680	\$ 453	\$ 2,223	4

(1) Includes U.S. government and government agency debt securities

As of December 31, 2021 and 2022, the Company did not have any available-for-sale debt securities for which the Company has recorded credit related losses.

Unrealized gains and losses, net of tax, before reclassifications from accumulated other comprehensive income (loss) to other income (expense), net were not material for the years ended December 31, 2020, 2021, and 2022. Realized gains and losses reclassified from accumulated other comprehensive income (loss) to other income (expense), net were not material for the years ended December 31, 2020, 2021, and 2022.

Debt securities in an unrealized loss position had an estimated fair value of \$801.5 million and \$748.3 million, and unrealized losses of \$3.5 million and \$19.4 million as of December 31, 2021 and 2022, respectively. An immaterial amount of these securities were in a continuous unrealized loss position for more than twelve months as of December 31, 2021 and \$92.3 million of these securities, with unrealized losses of \$12.9 million, were in a continuous loss position for more than twelve months as of December 31, 2022.

The following table summarizes the contractual maturities of the Company's available-for-sale debt securities (in millions):

	December 31, 2022		
	Amortized Cost	Estimated Fair Value	
Due within one year	\$ 2,238	\$ 2,236	\$ 2,236
Due in one year to five years	435	422	422
Due within five to ten years	22	19	19
Due beyond ten years	3	3	3
Total	\$ 2,698	\$ 2,680	\$ 2,680

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Notes to Consolidated Financial Statements

Equity Investments**Gains and Losses on Marketable Equity Investments**

Net unrealized gain (loss) on marketable equity investments was \$21.7 million for the year ended December 31, 2020 and immaterial for the years ended December 31, 2021 and 2022. During the year ended December 31, 2021, the marketable equity investments were sold and the Company realized a net loss of \$13.4 million. The realized and unrealized gains and losses on marketable equity investments were recorded in other income (expense), net on the consolidated statements of operations.

Equity Investments Without Readily Determinable Fair Values

The Company holds investments in privately-held companies in the form of equity securities without readily determinable fair values and in which the Company does not have a controlling interest or significant influence. These investments had net carrying value of \$75.0 million as of both December 31, 2021 and 2022, and are classified within other assets on the consolidated balance sheets. As of December 31, 2021 and 2022 there were no upward or downward adjustments for observable price changes. The Company recorded impairment charges of \$53.1 million and \$3.1 million, for the years ended December 31, 2020 and 2021, respectively, and did not record any impairment charges during the year ended December 31, 2022. As of December 31, 2021 and 2022, the cumulative downward adjustments for observable price changes and impairment were \$56.2 million.

Investments Accounted for Under the Equity Method

As of December 31, 2021 and 2022, the carrying values of the Company's equity method investments were \$17.4 million and \$13.8 million, respectively. For the years ended December 31, 2020, 2021, and 2022, the Company recorded losses of \$8.2 million, \$3.5 million, and \$5.4 million, respectively, within other income (expense), net in the consolidated statements of operations, representing its proportionate share of net income or loss based on the investee's financial results. Also, during the year ended December 31, 2020, the Company recorded impairment charges of \$29.0 million related to the carrying value of equity method investments within other income (expense), net. There were no impairment charges for the years ended December 31, 2021 and 2022.

Note 5. Fair Value Measurements and Financial Instruments

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis (in millions):

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents:				
Money market funds	\$ 1,923	\$ —	\$ —	\$ 1,923
Certificates of deposit	31	—	—	31
Commercial paper	—	164	—	164
Corporate debt securities	—	42	—	42
	1,954	206	—	2,160
Marketable securities:				
Certificates of deposit	364	—	—	364
Government bonds ⁽¹⁾	—	1	—	1
Commercial paper	—	993	—	993
Corporate debt securities	—	863	—	863
Mortgage-backed and asset-backed securities	—	34	—	34
	364	1,891	—	2,255
Funds receivable and amounts held on behalf of customers:				
Money market funds	466	—	—	466
Prepays and other current assets:				
Foreign exchange derivative assets	—	26	—	26
Other assets, noncurrent:				
Corporate debt securities	—	—	10	10
Total assets at fair value	\$ 2,784	\$ 2,123	\$ 10	\$ 4,917
Liabilities				
Accrued expenses and other current liabilities:				
Foreign exchange derivative liabilities	\$ —	\$ 10	\$ —	\$ 10
Total liabilities at fair value	\$ —	\$ 10	\$ —	\$ 10

(1) Includes U.S. government and government agency debt securities

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	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents:				
Money market funds	\$ 2,326	\$ —	\$ —	\$ 2,326
Certificates of deposit	26	—	—	26
Government bonds ⁽¹⁾	—	32	—	32
Commercial paper	—	327	—	327
Corporate debt securities	—	68	—	68
	<u>2,352</u>	<u>427</u>	<u>—</u>	<u>2,779</u>
Marketable securities:				
Certificates of deposit	573	—	—	573
Government bonds ⁽¹⁾	—	83	—	83
Commercial paper	—	574	—	574
Corporate debt securities	—	959	—	959
Mortgage-backed and asset-backed securities	—	34	—	34
Marketable equity securities	1	—	—	1
	<u>574</u>	<u>1,650</u>	<u>—</u>	<u>2,224</u>
Funds receivable and amounts held on behalf of customers:				
Money market funds	501	—	—	501
Prepays and other current assets:				
Foreign exchange derivative assets	—	14	—	14
Other assets, noncurrent:				
Corporate debt securities	—	—	4	4
Total assets at fair value	<u>\$ 3,427</u>	<u>\$ 2,091</u>	<u>\$ 4</u>	<u>\$ 5,522</u>
Liabilities				
Accrued expenses and other current liabilities:				
Foreign exchange derivative liabilities	\$ —	\$ 31	\$ —	\$ 31
Total liabilities at fair value	<u>\$ —</u>	<u>\$ 31</u>	<u>\$ —</u>	<u>\$ 31</u>

(1) Includes U.S. government and government agency debt securities

The following table presents additional information about investments that are measured at fair value for which the Company has utilized Level 3 inputs to determine fair value (in millions):

	December 31,		
	2021		2022
	Derivative Warrant Liability	Other Assets, Noncurrent	Other Assets, Noncurrent
Balance, beginning of year	\$ 985	\$ 11	\$ 10
Reclassifications to equity	(1,277)	—	—
Total realized and unrealized gains (losses):			
Included in earnings	292	—	—
Included in other comprehensive income (loss)	—	(1)	(6)
Balance, end of year	<u>\$ —</u>	<u>\$ 10</u>	<u>\$ 4</u>
Changes in unrealized gains or losses included in other comprehensive income (loss) related to investments held at the reporting date	<u>\$ —</u>	<u>(1)</u>	<u>(6)</u>

There were no transfers of financial instruments between valuation levels during the years ended December 31, 2021 and 2022.

The Company amended the anti-dilution feature in the warrant agreements associated with the Second Lien Credit Agreement, as defined in Note 9, *Debt*, which resulted in a change in classification from liability to equity, on March 30, 2021 (the "Modification Date"). The Company recorded a marked-to-market loss of \$292.0 million through the first quarter of 2021, which was recorded in other income (expense), net on the consolidated statements of operations. Subsequent to the Modification Date, the warrants were no longer subject to marked-to-market charges. The balance of \$1.3 billion was then reclassified from liability to equity as the amended warrants met the requirements for equity classification. Refer to Note 9, *Debt*, for additional information.

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Derivatives Not Designated as Hedging Instruments

As of December 31, 2021, the fair value of foreign exchange derivative assets and liabilities totaled \$25.9 million and \$10.3 million, respectively, with the aggregate notional amount totaling \$2.4 billion. As of December 31, 2022, the fair value of foreign exchange derivative assets and liabilities totaled \$14.0 million and \$31.2 million, respectively, with the aggregate notional amount totaling \$2.4 billion. Derivative assets are included in prepaids and other current assets and derivative liabilities are included in accrued expenses and other current liabilities in the consolidated balance sheets.

The Company recorded total net realized gains (losses) of \$(21.7) million, \$19.3 million, and \$92.0 million, and net unrealized gains (losses) of \$(24.6) million, \$35.4 million and \$(32.9) million for the years ended December 31, 2020, 2021, and 2022, respectively, related to foreign exchange derivative assets and liabilities. The realized and unrealized gains and losses on non-designated derivatives are reported in other income (expense), net in the consolidated statements of operations. The cash flows related to derivative instruments not designated as hedging instruments are classified within operating activities in the consolidated statements of cash flows.

The Company has master netting arrangements with the respective counterparties to its derivative contracts, which are designed to reduce credit risk by permitting net settlement of transactions with the same counterparty. The Company presents its derivative assets and derivative liabilities at their gross fair values in its consolidated balance sheets. As of December 31, 2021, the potential effect of these rights of set-off associated with the Company's derivative contracts would be a reduction to both assets and liabilities of \$10.3 million, resulting in net derivative assets of \$15.6 million. As of December 31, 2022, the potential effect of these rights of set-off associated with the Company's derivative contracts would be a reduction to both assets and liabilities of \$10.7 million, resulting in net derivative assets of \$3.2 million and net derivative liabilities of \$20.5 million.

Note 6. Intangible Assets and Goodwill

Intangible Assets

Identifiable intangible assets consisted of the following (in millions):

	December 31, 2021			December 31, 2022		
	Gross Carrying Amount ⁽¹⁾	Accumulated Amortization ⁽¹⁾	Net Carrying Value	Gross Carrying Amount ⁽¹⁾	Accumulated Amortization ⁽¹⁾	Net Carrying Value
Listing relationships	\$ 43 \$	(16) \$	27	\$ 35 \$	(13) \$	22
Trade names	33	(18)	15	33	(25)	8
Developed technology	23	(21)	2	—	—	—
Customer contacts	4	(4)	—	—	—	—
Other	10	(2)	8	9	(5)	4
Total intangible assets	\$ 113 \$	(61) \$	52	\$ 77 \$	(43) \$	34

(1) Excludes write off of intangible assets that have been fully amortized.

Amortization expense related to intangible assets for the years ended December 31, 2020, 2021, and 2022 was \$36.2 million, \$23.7 million, and \$19.1 million, respectively.

Estimated future amortization expense for intangible assets as of December 31, 2022 was as follows (in millions):

<u>Year Ending December 31.</u>	<u>Amount</u>
2023	\$ 11
2024	6
2025	5
2026	4
2027	4
Thereafter	4
Total future amortization expense	\$ 34

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Goodwill

The changes in the carrying amount of goodwill for the years ended December 31, 2021 and 2022 were as follows (in millions):

	Amount
Balance as of December 31, 2020	\$ 656
Foreign currency translation adjustments	(3)
Balance as of December 31, 2021	653
Foreign currency translation adjustments	(3)
Balance as of December 31, 2022	\$ 650

Note 7. Property and Equipment, Net

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

	December 31,	
	2021	2022
Computer software and capitalized internal-use software	\$ 175	\$ 164
Leasehold improvements	214	152
Computer equipment	57	32
Office furniture and equipment	43	23
Buildings and land	17	17
Construction in progress	30	45
Total	536	433
Less: Accumulated depreciation and amortization	(379)	(312)
Total property and equipment, net	\$ 157	\$ 121

Depreciation expense related to property and equipment for the years ended December 31, 2020, 2021, and 2022 was \$67.2 million, \$85.6 million, and \$42.6 million, respectively. During the years ended December 31, 2020, 2021, and 2022, amortization of capitalized internal-use software costs was \$22.5 million, \$66.3 million, and \$27.6 million, respectively.

The net carrying value of capitalized internal-use software as of December 31, 2021 and 2022 was \$21.0 million and \$8.6 million, respectively.

Note 8. Leases

The Company's material operating leases consist of office space and data center space. The Company's leases generally have remaining terms of one to 16 years, some of which include one or more options to extend the leases up to 10 years. Additionally, some lease contracts include termination options. Generally, the lease term is the minimum of the non-cancelable period of the lease or the lease term inclusive of reasonably certain renewal periods. Sublease income was immaterial for the years ended December 31, 2020, 2021, and 2022.

The components of lease cost were as follows (in millions):

	Year Ended December 31,		
	2020	2021	2022
Operating lease cost ⁽¹⁾	\$ 91	\$ 83	\$ 77
Short-term lease cost ⁽¹⁾	1	3	2
Variable lease cost ⁽¹⁾	12	14	17
Lease cost, net⁽²⁾	\$ 104	\$ 100	\$ 96

(1) Classified within operations and support, product development, sales and marketing, and general and administrative expenses in the consolidated statements of operations.

(2) Lease costs do not include lease impairments due to restructuring. Refer to Note 17, *Restructuring*, for additional information.

Supplemental disclosures of cash flow information related to operating lease liabilities were as follows (in millions):

	Year Ended December 31,		
	2020	2021	2022
Cash paid for operating leases	\$ 63	\$ 92	\$ 102
Net impact of non-cash changes to right-of-use assets related to modifications and reassessments of operating leases	103	18	(5)

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Lease term and discount rate were as follows:

	December 31,	
	2021	2022
Weighted-average remaining lease term (years)	7.2	6.0
Weighted-average discount rate	6.8 %	7.0 %

Maturities of lease liabilities (excluding short-term leases) were as follows as of December 31, 2022 (in millions):

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 81
2024	53
2025	87
2026	79
2027	31
Thereafter	128
Total lease payments	459
Less: Imputed interest	(105)
Present value of lease liabilities	354
Less: Current portion of lease liabilities	(59)
Total long-term lease liabilities	<u>\$ 295</u>

Item 9. Debt

The following table summarizes the Company's outstanding debt (in millions, except percentages):

	As of December 31, 2021	Effective Interest Rate	As of December 31, 2022	Effective Interest Rate
Convertible senior notes due March 2026	\$ 2,000	0.2 %	\$ 2,000	0.2 %
Less: Unamortized debt discount and debt issuance costs	(17)		(13)	
Total long-term debt	<u>\$ 1,983</u>		<u>\$ 1,987</u>	

Convertible Senior Notes

On March 8, 2021, the Company issued \$2.0 billion aggregate principal amount of 0% convertible senior notes due 2026 (the "2026 Notes") pursuant to an indenture, dated March 8, 2021 (the "Indenture"), between the Company and U.S. Bank National Association, as trustee. The 2026 Notes were offered and sold in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended.

The 2026 Notes are senior unsecured obligations of the Company and will not bear regular interest. The 2026 Notes mature on March 15, 2026, unless earlier converted, redeemed, or repurchased. The proceeds, net of debt issuance costs, were \$1,979.2 million.

The initial conversion rate for the 2026 Notes is 3.4645 shares of the Company's Class A common stock per \$1,000 principal amount of 2026 Notes, which is equivalent to an initial conversion price of approximately \$288.64 per share of the Class A common stock. The conversion rate and conversion price are subject to customary adjustments under certain circumstances in accordance with the terms of the Indenture.

The 2026 Notes will be convertible at the option of the holders before December 15, 2025 only upon the occurrence of certain events, and from and after December 15, 2025, at any time at their election until the close of business on the second scheduled trading day immediately preceding March 15, 2026, only under certain circumstances. Upon conversion, the Company may satisfy its conversion obligation by paying or delivering, as applicable, cash, shares of the Company's Class A common stock, or a combination of cash and shares of the Company's Class A common stock, at the Company's election, based on the applicable conversion rate. In addition, if certain corporate events that constitute a make-whole fundamental change (as defined in the Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time. Additionally, in the event of a corporate event constituting a fundamental change (as defined in the Indenture), holders of the 2026 Notes may require the Company to repurchase all or a portion of their 2026 Notes at a repurchase price equal to 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid special interest or additional interest, if any, to, but excluding, the date of the fundamental change repurchase.

Debt issuance costs related to the 2026 Notes totaled \$20.8 million and were comprised of commissions payable to the initial purchasers and third-party offering costs and are amortized to interest expense using the effective interest method over the contractual term. For the years ended December 31, 2021 and 2022, interest expense was \$3.4 million and \$4.2 million, respectively.

As of December 31, 2022, the if-converted value of the 2026 Notes did not exceed the outstanding principal amount.

As of December 31, 2022 the total estimated fair value of the 2026 Notes was \$1.7 billion and was determined based on a market approach using actual bids and offers of the 2026 Notes in an over-the-counter market on the last trading day of the period, or Level 2 inputs.

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Capped Calls

On March 3, 2021, in connection with the pricing of the 2026 Notes, the Company entered into privately negotiated capped call transactions (the "Capped Calls") with certain of the initial purchasers and other financial institutions (the "option counterparties") at a cost of \$100.2 million. The Capped Calls cover, subject to customary adjustments, the number of shares of Class A common stock initially underlying the 2026 Notes. By entering into the Capped Calls, the Company expects to reduce the potential dilution to its Class A common stock (or, in the event a conversion of the 2026 Notes is settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion of the 2026 Notes its common stock price exceeds the conversion price of the 2026 Notes. The cap price of the Capped Calls was \$360.80 per share of Class A common stock, which represented a premium of 100% over the last reported sale price of the Class A common stock of \$180.40 per share on March 3, 2021, subject to certain customary adjustments under the terms of the Capped Calls.

The Capped Calls meet the criteria for classification in equity, are not remeasured each reporting period, and are included as a reduction to additional paid-in-capital within stockholders' equity.

Term Loans

In April 2020, the Company entered into a \$1.0 billion First Lien Credit and Guaranty Agreement (the "First Lien Credit Agreement," and the loans thereunder, the "First Lien Loan"), resulting in proceeds of \$961.4 million, net of debt discount and debt issuance costs of \$38.6 million. The loan was due and payable in April 2025 and could be repaid in whole or in part at the Company's option, subject to applicable prepayment premiums and make-whole premiums. Beginning in September 2020, the Company was required to repay the First Lien Loan in quarterly installments equal to 0.25% of the \$1.0 billion aggregate principal amount of the First Lien Loan, with the remaining principal amount payable on the maturity date.

Also in April 2020, the Company entered into a \$1.0 billion Second Lien Credit and Guaranty Agreement (the "Second Lien Credit Agreement," and the loans thereunder, the "Second Lien Loan"), resulting in net proceeds of \$967.5 million, net of debt discount and debt issuance costs of \$32.5 million. The loan was due and payable in July 2025 and could be repaid in whole or in part, subject to applicable prepayment premiums, make-whole premiums, and the priority of lenders under the First Lien Credit Agreement over any proceeds the Company receives from the sale of collateral.

In March 2021, the Company repaid the principal amount outstanding of \$1,995.0 million under the First Lien Loan and Second Lien Loan, which resulted in a loss of extinguishment of debt of \$377.2 million, including early redemption premiums of \$212.9 million and a write-off of \$164.3 million of unamortized debt discount and debt issuance costs. The loss on extinguishment of debt was included in interest expense in the consolidated statements of operations. Additionally, the Company incurred third-party costs, principally legal and administrative fees, of \$0.1 million relating to the extinguishment of the loans.

The debt discount and debt issuance costs were amortized to interest expense using the effective interest rate method. For the year ended December 31, 2021, interest expense of \$41.3 million was recorded for the First Lien and Second Lien Loans relating to the contractual interest and amortization of the debt discount and debt issuance costs.

The First Lien Loan and the Second Lien Loan were unconditionally guaranteed by certain of the Company's domestic subsidiaries and were both secured by substantially all the assets of the Company and subsidiary guarantors.

In connection with the Second Lien Loan, the Company issued warrants to purchase 7,934,794 shares of Class A common stock with an initial exercise price of \$28.355 per share, subject to adjustment upon the occurrence of certain specified events, to the Second Lien Loan lenders. The warrants expire on April 17, 2030 and the exercise price can be paid in cash or in net shares at the holder's option. The fair value of the warrants at issuance was \$116.6 million and was recorded as a liability in accrued expenses and other current liabilities on the consolidated balance sheet with a corresponding debt discount recorded against the Second Lien Loan. The warrant liability was remeasured to fair value at each reporting date for as long as the warrants remained outstanding and unexercised with changes in fair value recorded in other income (expense), net in the consolidated statements of operations. As of December 31, 2020, the fair value of the warrant totaled \$985.2 million. On March 30, 2021, the Company amended the anti-dilution feature in the warrant agreements, which resulted in a change in classification from liability to equity. Accordingly, the Company recorded \$292.0 million in other expense during the first quarter of 2021. The liability balance of \$1.3 billion was then reclassified to equity as the amended warrants met the requirements for equity classification.

2020 Credit Facility

In November 2020, the Company entered into a five-year secured revolving Credit and Guarantee Agreement, which provided for initial commitments from a group of lenders led by Morgan Stanley Senior Funding, Inc. of \$500.0 million ("2020 Credit Facility"). The 2020 Credit Facility provided a \$200.0 million sub-limit for the issuance of letters of credit and had a commitment fee of 0.15% per annum on any undrawn amounts, payable quarterly in arrears. Outstanding letters of credit totaled \$15.9 million as of December 31, 2021. Remaining letters of credit under the 2020 Credit Facility were transferred to new issuers upon the termination of the 2020 Credit Facility.

2022 Credit Facility

On October 31, 2022, the Company terminated the 2020 Credit Facility and entered into a five-year unsecured Revolving Credit Agreement, which provides for initial commitments by a group of lenders led by Morgan Stanley Senior Funding, Inc. of \$1.0 billion ("2022 Credit Facility"). The 2022 Credit Facility provides a \$200.0 million sub-limit for the issuance of letters of credit. The 2022 Credit Facility has a commitment fee based on ratings and leverage ratios with amounts that range from 0.10% to 0.20% per annum on any undrawn amounts, payable quarterly in arrears. Interest on borrowings is based on ratings and leverage ratios with amounts that range from (i) in the case of the Secured Overnight Financing Rate ("SOFR") borrowings, 1.0% to 1.5%, plus SOFR, subject to a floor of 0.0%, or (ii) in the case of base rate

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borrowings, 0.0% to 0.5%; plus the greatest of (a) the rate of interest in effect for such day by Morgan Stanley Senior Funding, Inc. as its "prime rate"; (b) the federal funds effective rate plus 0.5%; and (c) SOFR for a one-month period plus 1.0%. Outstanding balances may be repaid prior to maturity without penalty. The 2022 Credit Facility contains customary events of default, affirmative and negative covenants, including restrictions on the Company's and certain of its subsidiaries' ability to incur debt and liens, undergo fundamental changes, as well as certain financial covenants. The Company was in compliance with all financial covenants as of December 31, 2022. As of December 31, 2022, no amounts were drawn under the 2022 Credit Facility and outstanding letters of credit totaled \$28.5 million.

Note 10. Stockholders' Equity

Common Stock

The Company's restated certificate of incorporation authorizes the Company to issue 2.0 billion shares of Class A common stock and 710.0 million shares of Class B common stock. Both classes of common stock have a par value of \$0.0001 per share. Class A common stock is entitled to one vote per share and Class B common stock is entitled to 20 votes per share. A share of Class B common stock is convertible into a share of Class A common stock voluntarily at any time by the holder, and will convert automatically into a share of Class A common stock upon the earlier of (a) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least 80% of the outstanding shares of Class B common stock at the time of such vote or consent, voting as a separate series, and (b) the 20-year anniversary of the closing of the IPO. In addition, with certain exceptions as further described in the Company's restated certificate of incorporation, transfers of Class B common stock will result in the conversion of such share of Class B common stock into a share of Class A common stock.

Under the Company's restated certificate of incorporation, the Company is also authorized to issue 2.0 billion shares of Class C common stock and 26.0 million shares of Class H common stock. Each share of Class C common stock is entitled to no votes and will not be convertible into any other shares of the Company's capital stock. Each share of Class H common stock is entitled to no votes and will convert into a share of Class A common stock on a share-for-share basis upon the sale of such share of Class H common stock to any person or entity that is not the Company's subsidiary.

Class A Common Stock Warrants

As described above in Note 9, *Debt*, in connection with the Second Lien Loan entered into in April 2020, the Company issued warrants to purchase 7,934,794 shares of Class A common stock with an initial exercise price of \$28.355 per share, subject to adjustment upon the occurrence of certain specified events, to the Second Lien Loan lenders.

Share Repurchase

On August 2, 2022, the Company announced its board of directors approved a share repurchase program with authorization to purchase up to \$2.0 billion of the Company's Class A common stock at management's discretion (the "Share Repurchase Program"). The Share Repurchase Program does not have an expiration date, does not obligate the Company to repurchase any specific number of shares, and may be modified, suspended, or terminated at any time at the Company's discretion. During the year ended December 31, 2022, the Company repurchased and subsequently retired 13.8 million shares of common stock for \$1.5 billion. As of December 31, 2022, the Company had \$500.0 million available to repurchase shares pursuant to the Share Repurchase Program.

Note 11. Stock-Based Compensation

Stock-Based Compensation Expense

The following table summarizes total stock-based compensation expense (in millions):

	Year Ended December 31,		
	2020	2021	2022
Operations and support	\$ 144	\$ 49	\$ 63
Product development	1,880	545	548
Sales and marketing	435	100	114
General and administrative	544	205	205
Stock-based compensation expense	\$ 3,003	\$ 899	\$ 930

Prior to December 9, 2020, no stock-based compensation expense had been recognized for certain awards with a liquidity-event performance-based vesting condition based on the occurrence of a qualifying event, as such qualifying event was not probable. Upon the Company's initial public offering, the liquidity event performance-based condition was met and \$2.8 billion of stock-based compensation expense was recognized related to these awards.

The Company recognized an income tax benefit of \$39.9 million, \$35.6 million, and \$19.0 million in the consolidated statements of operations for stock-based compensation arrangements in the years ended December 31, 2020, 2021, and 2022, respectively.

Equity Incentive Plans

2018 Equity Incentive Plan

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In 2018, the Company adopted the 2018 Equity Incentive Plan (the "2018 Plan") to replace the 2008 Equity Incentive Plan (the "2008 Plan"). A total of 50.0 million shares of Class B common stock were reserved for issuance under the 2018 Plan and the 13.2 million shares remaining for issuance under the 2008 Plan were added to the number of shares available under the 2018 Plan. The expiration of the 2008 Plan had no impact on the terms of outstanding awards under that plan. All unvested equity canceled under the 2008 Plan were added to the 2018 Plan and made available for future issuance.

Assumed Equity Incentive Plan

In connection with the acquisition of HotelTonight in 2021, the Company assumed stock options and RSUs under HotelTonight's equity incentive plan (the "Assumed Equity Incentive Plan"). As of December 31, 2021, a total of 98,093 shares of the Company's Class A common stock were issuable upon exercise of outstanding options under the Assumed Equity Incentive Plan, with weighted-average exercise price of \$22.67 per share. In addition, as of December 31, 2021, a total of 3,512 RSUs were issued and outstanding under the Assumed Equity Incentive Plan. No additional stock options or RSUs may be granted under the Assumed Equity Incentive Plan.

2020 Incentive Award Plan

In 2020, the Company adopted the 2020 Incentive Award Plan (the "2020 Plan," and together with the 2008 Plan, 2018 Plan, and the Assumed Equity Incentive Plan, the "Plans"). Under the 2020 Plan, 62,069,613 shares of Class A common stock were initially reserved for issuance. The number of shares initially reserved for issuance pursuant to awards under the 2020 Plan will be increased by (i) the number of shares subject to awards outstanding under the 2008 Plan, Assumed Equity Incentive Plan, and 2018 Plan as of the effective date of the 2020 Plan that subsequently terminate, are exchanged for cash, surrendered or repurchased, or are tendered or withheld to satisfy any exercise price or tax withholding obligations and (ii) an annual increase on the first day of each year beginning in 2022 and ending in 2030, equal to the lesser of (A) 5% of the shares of all series of the Company's common stock outstanding on the last day of the immediately preceding year and (B) such smaller number of shares of stock as determined by the Company's board of directors; provided, however, that no more than 371,212,920 shares of stock may be issued upon the exercise of incentive stock options.

Stock Option and Restricted Stock Unit Activity

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option-pricing model using the range of assumptions in the following table:

	Year Ended December 31,		
	2020	2021	2022
Expected term (years)	5.1 - 8.0	8.0	6.1
Risk-free interest rate	0.5% - 1.5%	1.1% - 1.5%	0.3% - 2.2%
Expected volatility	39.1% - 43.6%	44.2% - 44.9%	48.6% - 58.4%
Expected dividend yield	—	—	—

A summary of stock option and RSU activity under the Plans was as follows (in millions, except per share amounts):

	Outstanding Stock Options			Outstanding Restricted Stock Units	
	Shares Available for Grant	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Grant Date Fair Value
Balances as of December 31, 2020	86	41 \$	12.48	48 \$	40.01
Granted ⁽¹⁾	(10)	1	191.08	9	181.15
Shares withheld for taxes	1	—	—	(1)	66.99
Exercised/Vested	—	(18)	7.77	(15)	57.05
Canceled	4	—	56.69	(4)	64.32
Balances as of December 31, 2021	81	24	19.69	37	61.22
Granted	(13)	1	161.70	12	135.09
Increase in shares available for grant	32	—	—	—	—
Shares withheld for taxes	5	—	—	(5)	80.98
Exercised/Vested	—	(3)	14.32	(7)	83.12
Canceled	3	—	95.93	(3)	101.58
Balances as of December 31, 2022	108	22 \$	23.41	34 \$	77.07

(1) There were no options or RSUs that were granted from the Assumed Equity Incentive Plan for the year ended December 31, 2021.

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	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Options outstanding as of December 31, 2021	24	\$ 19.69	3.66	\$ 3,555
Options exercisable as of December 31, 2021	21	13.28	2.90	3,207
Options outstanding as of December 31, 2022	22	23.41	2.78	1,432
Options exercisable as of December 31, 2022	20	17.01	2.27	1,380

During the years ended December 31, 2020, 2021, and 2022, the weighted-average fair value of stock options granted under the Plans was \$15.42, \$96.50, and \$79.75 per share, respectively. During the years ended December 31, 2020, 2021, and 2022, the aggregate intrinsic value of stock options exercised was \$476.0 million, \$2,824.9 million, and \$326.0 million, respectively, and the total grant-date fair value of stock options that vested was \$44.4 million, \$45.9 million, and \$45.0 million, respectively.

As of December 31, 2022, there was \$78.0 million, of total unrecognized compensation cost related to stock option awards granted under the Plans. The unrecognized cost as of December 31, 2022 is expected to be recognized over a weighted-average period of 2.58 years.

Restricted Stock Awards

The Company has granted RSAs to certain continuing employees, primarily in connection with acquisitions. Vesting of this stock is primarily dependent on a service-based vesting condition that generally becomes satisfied over a period of four years. The Company has the right to repurchase or cancel shares for which the vesting condition is not satisfied.

Unvested RSAs as of December 31, 2020, 2021, and 2022 was 0.7 million, 0.6 million, and 0.4 million shares, respectively, with weighted-average grant-date fair value of \$62.33, \$62.32, and \$62.33 per share, respectively. Activities related to the Company's RSAs were not material for the years ended December 31, 2020, 2021, and 2022.

Restricted Stock Units

RSUs are measured at the fair market value of the underlying stock at the grant date and the expense is recognized over the requisite service period. The service-based vesting condition for these awards is generally satisfied over four years.

2020 Employee Stock Purchase Plan

In December 2020, the Company's board of directors adopted the ESPP. The maximum number of shares of Class A common stock authorized for sale under the ESPP is equal to the sum of (i) 4.0 million shares of Class A common stock and (ii) an annual increase on the first day of each year beginning in 2022 and ending in 2030, equal to the lesser of (a) 1% of shares of Class A common stock (on an as converted basis) on the last day immediately preceding year and (b) such number of shares of common stock as determined by the board of directors; provided, however, that no more than 89.8 million shares may be issued under the ESPP. As of December 31, 2021 and 2022, the Company had reserved 3.0 million and 8.9 million shares for future issuance under the ESPP. The Company estimates the fair value of shares to be issued under the ESPP based on a combination of options valued using the Black-Scholes option-pricing model. The Company recorded stock-based compensation expense related to the ESPP of \$105.9 million and \$32.6 million for the years ended December 31, 2021, and 2022, respectively.

During the year ended December 31, 2021, 0.9 million shares of common stock were purchased under the ESPP at a weighted-average price of \$59.11 per share, resulting in net cash proceeds of \$50.6 million. During the year ended December 31, 2022, 0.5 million shares of common stock were purchased under the ESPP at a weighted-average price of \$95.90 per share, resulting in net cash proceeds of \$47.5 million.

Note 12. Commitments and Contingencies

Commitments

The Company has commitments including purchase obligations for web-hosting services and other commitments for brand marketing. The following table presents these non-cancelable commitments and obligations as of December 31, 2022 (in millions):

	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Purchase obligations	\$ 1,068	\$ 137	\$ 517	\$ 414	\$ —
Other commitments	232	37	76	79	40
Total	\$ 1,300	\$ 174	\$ 593	\$ 493	\$ 40

Purchase commitments include amounts related to the Company's commercial agreement with a data hosting services provider, pursuant to which the Company committed to spend an aggregate of at least \$941.7 million for vendor services through 2027.

Extenuating Circumstances Policy

In March 2020, the Company applied its extenuating circumstances policy to cancellations resulting from COVID-19. That policy provides

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customers with greater flexibility to cancel reservations that are disrupted by epidemics, natural disasters, and other emergencies. Specifically, accommodation bookings made by guests on or before March 14, 2020 have so far been covered by the policy and may be canceled before check-in. To support Hosts impacted by elevated guest cancellations under that policy, the Company committed up to \$250 million for Hosts, and had a remaining reserve balance of \$33.9 million as of December 31, 2022. The reservations eligible for this \$250 million Host program were defined as reservations made on or before March 14, 2020 with a check-in date between March 14, 2020 and May 31, 2020. For these reservations, eligible Hosts are entitled to receive 25% of the amount they would have received from guests under the Host's cancellation policies. These payments are accounted for as consideration paid to a customer and as such, primarily result in a reduction to revenue. Under this policy, the Company recorded payments, primarily to Hosts, excluding Superhosts, of \$205.1 million, \$5.6 million and \$2.9 million for the years ended December 31, 2020, 2021, and 2022, respectively, in its consolidated statement of operations.

Lodging Tax Obligations and Other Non-Income Tax Matters

Some states and localities in the United States and elsewhere in the world impose transient occupancy or lodging accommodations taxes ("Lodging Taxes") on the use or occupancy of lodging accommodations or other traveler services. As of December 31, 2022, the Company collects and remits Lodging Taxes in approximately 32,000 jurisdictions on behalf of its Hosts. Such Lodging Taxes are generally remitted to tax jurisdictions within a 30 to 90-day period following the end of each month.

As of December 31, 2021 and 2022, the Company had an obligation to remit Lodging Taxes collected from guests on bookings in these jurisdictions totaling \$180.8 million and \$250.6 million, respectively. These payables were recorded in accrued expenses and other current liabilities on the consolidated balance sheets.

In jurisdictions where the Company does not collect and remit Lodging Taxes, the responsibility for collecting and remitting these taxes primarily rests with Hosts. The Company has estimated liabilities in a certain number of jurisdictions with respect to state, city, and local taxes related to lodging where management believes it is probable that the Company can be held jointly liable with Hosts for taxes and the related amounts can be reasonably estimated. As of December 31, 2021 and 2022, accrued obligations related to these estimated taxes, including estimated penalties and interest, totaled \$57.3 million and \$70.6 million, respectively. With respect to lodging and related taxes for which a loss is probable or reasonably possible, the Company is unable to determine an estimate of the possible loss or range of loss beyond the amounts already accrued.

The Company's potential obligations with respect to Lodging Taxes could be affected by various factors, which include, but are not limited to, whether the Company determines, or any tax authority asserts, that the Company has a responsibility to collect lodging and related taxes on either historical or future transactions or by the introduction of new ordinances and taxes which subject the Company's operations to such taxes. Accordingly, the ultimate resolution of Lodging Taxes may be greater or less than reserve amounts that the Company has recorded.

The Company is currently involved in disputes brought by certain states and localities involving the payment of Lodging Taxes. These jurisdictions are asserting that the Company is liable or jointly liable with Hosts to collect and remit Lodging Taxes. These disputes are in various stages and the Company continues to vigorously defend these claims. The Company believes that the statutes at issue impose a Lodging Tax obligation on the person exercising the taxable privilege of providing accommodations, or the Company's Hosts.

The imposition of such taxes on the Company could increase the cost of a guest booking and potentially cause a reduction in the volume of bookings on the Company's platform, which would adversely impact the Company's results of operations. The Company will continue to monitor the application and interpretation of lodging and related taxes and ordinances and will adjust accruals based on any new information or further developments.

The Company is under audit and inquiry by various domestic and foreign tax authorities with regard to non-income tax matters. The subject matter of these contingent liabilities primarily arises from the Company's transactions with its customers, as well as the tax treatment of certain employee benefits and related employment taxes. In jurisdictions with disputes connected to transactions with customers, disputes involve the applicability of transactional taxes (such as sales, value-added, and similar taxes) to services provided, as well as the applicability of withholding tax on payments made to such Hosts. Due to the inherent complexity and uncertainty of these matters and judicial processes in certain jurisdictions, the final outcomes may exceed the estimated liabilities recorded.

During the years ended December 31, 2020, 2021, and 2022, the Company recorded, including interest, \$16.3 million of tax expense, \$10.1 million of tax benefit, and \$10.3 million of tax expense, related to estimated Hosts' withholding tax obligations, respectively. As of December 31, 2021 and 2022, the Company accrued a total of \$124.2 million and \$134.6 million of estimated tax liabilities, including interest, related to Hosts' withholding tax obligations, respectively.

The Company has identified reasonably possible exposures related to withholding income taxes, transactional taxes, and business taxes, and has not accrued for these amounts since the likelihood of the contingent liability is less than probable. The Company estimates that the reasonably possible loss related to these matters in excess of the amounts accrued is between \$250.0 million and \$280.0 million; however, no assurance can be given as to the outcomes and the Company could be subject to significant additional tax liabilities.

With respect to all other withholding tax on payments made to Hosts and transactional taxes for which a loss is probable or reasonably possible, the Company is unable to determine an estimate of the possible loss or range of loss beyond the amounts already accrued.

In addition, as of December 31, 2021 and 2022, the Company accrued a total of \$33.6 million and \$32.6 million of estimated tax liabilities related to employment taxes on certain employee benefits, respectively. Refer to Note 13, *Income Taxes*, for further discussion on other tax matters.

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The Company is subject to regular payroll tax examinations by various international, state, and local jurisdictions. Although management believes its tax withholding remittance practices are appropriate, the Company may be subject to additional tax liabilities, including interest and penalties, if any tax authority disagrees with the Company's withholding and remittance practices, or if there are changes in laws, regulations, administrative practices, principles, or interpretations related to payroll tax withholding in the various state and local jurisdictions.

Legal and Regulatory Matters

The Company has been and is currently a party to various legal and regulatory matters arising in the normal course of business. Such proceedings and claims, even if not meritorious, can require significant financial and operational resources, including the diversion of management's attention from the Company's business objectives.

Regulatory Matters

The Company operates in a complex legal and regulatory environment and its operations are subject to various U.S. and foreign laws, rules, and regulations, including those related to: Internet activities; short-term rentals, long-term rentals and home sharing; real estate, property rights, housing and land use; travel and hospitality; privacy and data protection; intellectual property; competition; health and safety; protection of minors; consumer protection; employment; payments, money transmission, economic and trade sanctions, anti-corruption and anti-bribery; taxation; and others. In addition, the nature of the Company's business exposes it to inquiries and potential claims related to the compliance of the business with applicable law and regulations. In some instances, applicable laws and regulations do not yet exist or are being applied, interpreted or implemented to address aspects of the Company's business, and such adoption or interpretation could further alter or impact the Company's business.

In certain instances, the Company has been party to litigation with municipalities relating to or arising out of certain regulations. In addition, the implementation and enforcement of regulation can have an impact on the Company's business.

Intellectual Property

The Company has been and is currently subject to claims relating to intellectual property, including alleged patent infringement. Adverse results in such lawsuits may include awards of substantial monetary damages, costly royalty or licensing agreements, or orders preventing the Company from offering certain features, functionalities, products, or services, and may also cause the Company to change its business practices or require development of non-infringing products or technologies, which could result in a loss of revenue or otherwise harm its business. To date, the Company has not incurred any material costs as a result of such cases and has not recorded any material liabilities in its consolidated financial statements related to such matters.

Litigation and Other Legal Proceedings

The Company is currently involved in, and may in the future be involved in, legal proceedings, claims, and government investigations in the ordinary course of business. These include proceedings, claims, and investigations relating to, among other things, regulatory matters, commercial matters, intellectual property, competition, tax, employment, pricing, discrimination, consumer rights, personal injury, and property rights.

The Australian Competition and Consumer Commission ("ACCC") commenced proceedings against Airbnb, Inc. and Airbnb Ireland UC alleging that Airbnb has breached the Australian Consumer Law by making false and misleading representations, because certain users were shown prices and charged in U.S. dollars versus Australian dollars. The Company disputes the allegations of the ACCC.

Depending on the nature of the proceeding, claim, or investigation, the Company may be subject to monetary damage awards, fines, penalties, and/or injunctive orders. Furthermore, the outcome of these matters could materially adversely affect the Company's business, results of operations, and financial condition. The outcomes of legal proceedings, claims, and government investigations are inherently unpredictable and subject to significant judgment to determine the likelihood and amount of loss related to such matters. While it is not possible to determine the outcomes, the Company believes based on its current knowledge that the resolution of all such pending matters will not, either individually or in the aggregate, have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows.

The Company establishes an accrued liability for loss contingencies related to legal matters when a loss is both probable and reasonably estimable. These accruals represent management's best estimate of probable losses. Such currently accrued amounts are not material to the Company's consolidated financial statements. However, management's views and estimates related to these matters may change in the future, as new events and circumstances arise and the matters continue to develop. Until the final resolution of legal matters, there may be an exposure to losses in excess of the amounts accrued. With respect to outstanding legal matters, based on current knowledge, the amount or range of reasonably possible loss will not, either individually or in the aggregate, have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows. Legal fees are expensed as incurred.

Host Protections

The Company offers AirCover coverage, which includes but is not limited to, the Company's Host Damage Protection program that provides protection of up to \$3.0 million for direct physical loss or damage to a Host's covered property caused by guests during a confirmed booking and when the Host and guest are unable to resolve the dispute. The Company retains risk and also maintains insurance from third parties on a per claim basis to protect the Company's financial exposure under this program. In addition, through third-party insurers and self-insurance mechanisms, including a wholly-owned captive insurance subsidiary created during the year ended December 31, 2019, the Company provides insurance coverage for third-party bodily injury or property damage liability claims that occur during a stay.

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Notes to Consolidated Financial Statements

The Company's Host Liability Insurance and Experiences Liability Insurance consists of a commercial general liability policy, with Hosts and the Company as named insureds and landlords of Hosts as additional insureds. The Host Liability Insurance and Experiences Liability Insurance provides primary coverage for up to \$1.0 million per occurrence, subject to a \$1.0 million cap per listing location, and includes various market standard conditions, limitations, and exclusions.

Indemnifications

The Company has entered into indemnification agreements with certain of its employees, officers and directors. The indemnification agreements and the Company's Amended and Restated Bylaws (the "Bylaws") require the Company to indemnify its directors and officers and those employees who have entered into indemnification agreements to the fullest extent not prohibited by Delaware law. Subject to certain limitations, the indemnification agreements and Bylaws also require the Company to advance expenses incurred by its directors and officers and those employees who have entered into indemnification agreements. No demands have been made upon the Company to provide indemnification or advancement under the indemnification agreements or the Bylaws, and thus, there are no indemnification or advancement claims that the Company is aware of that could have a material adverse effect on the Company's business, results of operations, financial condition, or cash flows.

In the ordinary course of business, the Company has included limited indemnification provisions in certain agreements with parties with whom the Company has commercial relations, which provisions are of varying scope and terms with respect to indemnification of certain matters, which may include losses arising out of the Company's breach of such agreements or out of intellectual property infringement claims made by third parties. It is not possible to determine the maximum potential loss under these indemnification provisions due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, no significant costs have been incurred, either individually or collectively, in connection with the Company's indemnification provisions.

Note 13. Income Taxes

The domestic and foreign components of income (loss) before income taxes were as follows (in millions):

	Year Ended December 31,		
	2020	2021	2022
Domestic	\$ (4,510)	\$ (390)	\$ 1,820
Foreign	(172)	90	169
Income (loss) before income taxes	\$ (4,682)	\$ (300)	\$ 1,989

The components of the provision for (benefit from) income taxes were as follows (in millions):

	Year Ended December 31,		
	2020	2021	2022
Current			
Federal	\$ (91)	\$ 5	\$ 19
State	(1)	2	10
Foreign	15	34	68
Total current provision for (benefit from) income taxes	(77)	41	97
Deferred			
Federal	—	—	—
State	—	—	—
Foreign	(20)	11	(1)
Total deferred provision for (benefit from) income taxes	(20)	11	(1)
Total provision for (benefit from) income taxes	\$ (97)	\$ 52	\$ 96

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Notes to Consolidated Financial Statements

The following is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate:

	Year Ended December 31,		
	2020	2021	2022
Expected income tax expense at federal statutory rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal benefits	—	(0.7)	0.4
Foreign tax rate differential	(0.5)	(5.1)	1.0
Stock-based compensation	7.1	282.4	(6.9)
Deferred tax impacts of restructuring	6.5	(9.7)	—
Other statutorily non-deductible expenses	(0.3)	(1.1)	0.3
Non-deductible warrant revaluations	(3.9)	(20.4)	(0.1)
Research and development credits	4.3	51.0	(4.7)
Uncertain tax positions—prior year positions	(0.1)	(3.1)	0.1
Uncertain tax positions—current year positions	(0.2)	(1.0)	0.8
US tax on foreign income, net of allowable credits and deductions	—	—	0.7
Foreign-derived intangible income deduction	—	—	(1.9)
Other	0.3	1.3	0.1
Change in valuation allowance	(32.1)	(331.9)	(6.0)
Effective tax rate	2.1 %	(17.3)%	4.8 %

For the year ended December 31, 2020, the difference in the Company's effective tax rate and the U.S. federal statutory tax rate was primarily due to the Company's tax impact of restructuring and the IPO, and the Company's full valuation allowance on its U.S. deferred tax assets. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted by the United States on March 27, 2020. The CARES Act contains certain tax provisions, including provisions that retroactively and/or temporarily suspend or relax in certain respects the application of certain provisions in the Act, such as the limitations on the deduction of net operating losses and interest. For the year ended December 31, 2020, the Company recorded a benefit of \$95.6 million related to the carryback of its 2020 net operating loss.

For the year ended December 31, 2021, the difference in the Company's effective tax rate and the U.S. federal statutory tax rate was primarily due to the jurisdictional mix of earnings, excess tax benefits related to stock-based compensation, and the Company's full valuation allowance on its U.S. deferred tax assets.

For the year ended December 31, 2022, the difference in the Company's effective tax rate and the U.S. federal statutory tax rate was primarily due to excess tax benefits related to stock-based compensation, research and development credits, and the Company's full valuation allowance on its U.S. deferred tax assets.

The components of deferred tax assets and liabilities consisted of the following (in millions):

	December 31,	
	2021	2022
Deferred tax assets:		
Net operating loss carryforwards	\$ 1,988	\$ 1,539
Tax credit carryforwards	568	664
Accruals and reserves	106	123
Non-income tax accruals	65	68
Stock-based compensation	157	111
Operating lease liabilities	87	73
Intangible assets	210	188
Capitalized research and development costs	—	413
Other	155	37
Gross deferred tax assets	3,336	3,216
Valuation allowance	(3,264)	(3,166)
Total deferred tax assets	72	50
Deferred tax liabilities:		
Property and equipment basis differences	(8)	(9)
Operating lease assets	(49)	(23)
Other	—	(2)
Total deferred tax liabilities	(57)	(34)
Total net deferred tax assets	\$ 15	\$ 16

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Notes to Consolidated Financial Statements

For the year ended December 31, 2021, the increase in the Company's valuation allowance compared to the prior year was primarily due to the 2021 net operating loss, an increase in tax credits generated, and business interest expenses subject to limitation. For the year ended December 31, 2022, the decrease in the Company's valuation allowance compared to the prior year was primarily due to the utilization of net operating losses, business interest deductions subject to limitation in prior years, and stock-based compensation deductions, partially offset by capitalized research and development costs under Section 174.

In determining the need for a valuation allowance, the Company weighs both positive and negative evidence in the various jurisdictions in which it operates to determine whether it is more likely than not that its deferred tax assets are recoverable. The Company regularly assesses all available evidence, including cumulative historic losses and forecasted earnings. Due to cumulative losses in the U.S. during the prior three years, including tax deductible stock compensation, and based on all available positive and negative evidence, the Company does not believe it is more likely than not that its U.S. deferred tax assets will be realized as of December 31, 2022. Accordingly, a full valuation allowance has been established in the United States, and no deferred tax assets and related tax benefit have been recognized in the financial statements. However, given the Company's current earnings and anticipated future earnings, the Company believes that there is a reasonable possibility that sufficient positive evidence may become available in a future period to allow the Company to reach a conclusion that the U.S. valuation allowance will no longer be needed. Release of the valuation allowance would result in the recognition of material U.S. federal and state deferred tax assets and a corresponding decrease to income tax expense in the period the release is recorded. The exact timing and amount of the valuation allowance release are subject to change on the basis of the level of sustained U.S. profitability that the Company is able to actually achieve, as well as the amount of tax deductible stock compensation dependent upon the Company's publicly traded share price, foreign currency movements, and macroeconomic conditions, among other factors.

There is no valuation allowance in certain foreign jurisdictions in which it is more likely than not that deferred tax assets will be realized.

The Company's policy with respect to its undistributed foreign subsidiaries' earnings is to consider those earnings to be indefinitely reinvested. The Company has not provided for the tax effect, if any, of limited outside basis differences of its foreign subsidiaries. The determination of the future tax consequences of the remittance of these earnings is not practicable.

As of December 31, 2021 and 2022, the Company had net operating loss carryforwards for federal income tax purposes of \$8.8 billion and \$6.8 billion, respectively. Certain of the Company's federal net operating loss carryforwards will expire, if not utilized, beginning in 2031. As of December 31, 2021 and 2022, the Company had federal research and development tax credit carryforwards of \$491.2 million and \$578.5 million, respectively. The research and development tax credits will expire beginning in 2038 if not utilized.

As of December 31, 2021 and 2022, the Company had net operating loss carryforwards for state income tax purposes of \$5.5 billion and \$4.8 billion, respectively. Certain of the Company's state net operating loss carryforwards will expire, if not utilized, beginning in 2025. As of December 31, 2021 and 2022, the Company had state research and development carryforwards and enterprise zone tax credit carryforwards of \$338.1 million and \$402.1 million, respectively. The research and development tax credits do not expire, and the enterprise zone tax credits will expire, if not utilized, beginning in 2023.

The Tax Reform Act of 1986 and similar California legislation impose substantial restrictions on the utilization of net operating losses and tax credit carryforwards in the event that there is a change in ownership as provided by Section 382 of the Internal Revenue Code and similar state provisions. Such a limitation could result in the expiration of the net operating loss carryforwards and tax credits before utilization, which could result in increased future tax liabilities.

A reconciliation of the beginning and ending amount of the Company's total gross unrecognized tax benefits was as follows (in millions):

	Year Ended December 31,		
	2020	2021	2022
Balance at beginning of year	\$ 337	\$ 508	\$ 597
Gross increases related to prior year tax positions	2	14	7
Gross decreases related to prior year tax positions	(6)	(2)	(2)
Gross increases related to current year tax positions	196	85	60
Reductions due to settlements with taxing authorities	(21)	(1)	(7)
Reduction due to lapse in statute of limitations	—	(7)	(5)
Balance at end of year	\$ 508	\$ 597	\$ 650

The Company is in various stages of examination in connection with its ongoing tax audits globally, and it is difficult to determine when these examinations will be settled. The Company believes that an adequate provision has been recorded for any adjustments that may result from tax audits. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Company's tax audits are resolved in a manner not consistent with management's expectations, the Company may be required to record an adjustment to the provision for (benefit from) income taxes in the period such resolution occurs. Changes in tax laws, regulations, administrative practices, principles, and interpretations may impact the Company's tax contingencies. The timing of the resolution of income tax examinations is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ from the amounts accrued. It is reasonably possible that within the next twelve months the Company may experience an increase or decrease in its unrecognized tax benefits as a result of additional assessments by various tax authorities, possibly reach resolution of income tax examinations in one or more jurisdictions, or lapses of the statute of limitations. However, an estimate of the range of the reasonably possible change in the next twelve months cannot be made.

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Notes to Consolidated Financial Statements

As of December 31, 2022, \$209.6 million of unrecognized tax benefits represents the amount that would, if recognized, impact the Company's effective income tax rate.

In accordance with the Company's accounting policy, it recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for (benefit from) income taxes. The Company's accrual for interest and penalties was \$58.7 million and \$65.8 million as of December 31, 2021 and 2022, respectively.

The Company's significant tax jurisdictions include the United States, California, and Ireland. The Company is currently under examination for income taxes by the Internal Revenue Service ("IRS") for the 2013, 2016, 2017, and 2018 tax years. The primary issue under examination in the 2013 audit is the valuation of the Company's international intellectual property which was sold to a subsidiary in 2013. In the year ended December 31, 2019, new information became available which required the Company to remeasure its reserve for unrecognized tax benefits. The Company recorded additional tax expense of \$196.4 million during the year ended December 31, 2019. In December 2020, the Company received a Notice of Proposed Adjustment ("NOPA") from the IRS which proposes an increase to the Company's U.S. taxable income that could result in additional income tax expense and cash liability of \$1.3 billion, plus penalties and interest, which exceeds its current reserve recorded in its consolidated financial statements by more than \$1.0 billion. The Company disagrees with the proposed adjustment and intends to vigorously contest it. In February 2021, the Company submitted a protest to the IRS describing its disagreement with the proposed agreement and requesting the case be transferred to the IRS Independent Office of Appeals ("IRS Appeals"). In December 2021, the Company received a rebuttal from the IRS with the same proposed adjustments that were in the NOPA. In January 2022, the Company entered into an administrative dispute process with IRS Appeals. The Company will continue to pursue all available remedies to resolve this dispute, including petitioning the U.S. Tax Court ("Tax Court") for redetermination if an acceptable outcome cannot be reached with IRS Appeals, and if necessary, appealing the Tax Court's decision to the appropriate appellate court. The Company believes that adequate amounts have been reserved for any adjustments that may ultimately result from these examinations. If the IRS prevails in the assessment of additional tax due based on its position and such tax and related interest and penalties, if any, exceeds the Company's current reserves, such outcome could have a material adverse impact on the Company's financial position and results of operations, and any assessment of additional tax could require a significant cash payment and have a material adverse impact on the Company's cash flow.

On July 27, 2015, the United States Tax Court (the "Tax Court") issued an opinion in Altera Corp. v. Commissioner (the "Tax Court Opinion"), which concluded that related parties in a cost sharing arrangement are not required to share expenses related to stock-based compensation. The Tax Court Opinion was appealed by the Commissioner to the Ninth Circuit Court of Appeals (the "Ninth Circuit"). On June 7, 2019, the Ninth Circuit issued an opinion (the "Ninth Circuit Opinion") that reversed the Tax Court Opinion. On July 22, 2019, Altera Corp. filed a petition for a rehearing before the full Ninth Circuit. On November 12, 2019, the Ninth Circuit denied Altera Corp.'s petition for rehearing its case. The Company accordingly recognized tax expense of \$26.6 million related to changes in uncertain tax positions during the year ended December 31, 2019. The Company reversed this expense entirely during the year ended December 31, 2020 due to the carryback of its 2020 net operating loss as allowable under the CARES Act.

The Company's 2008 to 2022 tax years remain subject to examination in the United States and California due to tax attributes and statutes of limitations, and its 2018 to 2022 tax years remain subject to examination in Ireland. There are other ongoing audits in various other jurisdictions that are not material to the Company's financial statements. The Company remains subject to possible examination in various other jurisdictions that are not expected to result in material tax adjustments.

On August 16, 2022, the Inflation Reduction Act (the "IRA") was signed into law in the United States. Among other changes, the IRA introduced a corporate minimum tax on certain corporations with average adjusted financial statement income over a three-tax year period in excess of \$1 billion and an excise tax on certain stock repurchases by certain covered corporations for taxable years beginning after December 31, 2022. While the corporate minimum tax law change has no immediate effect and is not expected to have a material adverse effect on the Company's results of operations going forward, the Company will continue to evaluate its impact as further information becomes available.

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Notes to Consolidated Financial Statements

Note 14. Net Income (Loss) per Share

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders for the years indicated (in millions, except per share amounts):

	Year Ended December 31,		
	2020	2021	2022
Net income (loss)	\$ (4,585)	\$ (352)	\$ 1,893
Add: convertible notes interest expense, net of tax	—	—	4
Net income (loss) - diluted	<u>\$ (4,585)</u>	<u>\$ (352)</u>	<u>\$ 1,897</u>
Weighted-average shares in computing net income (loss) per share attributable to Class A and Class B common stockholders:			
Basic	284	616	637
Effect of dilutive securities	—	—	43
Diluted	<u>284</u>	<u>616</u>	<u>680</u>
Net income (loss) per share attributable to Class A and Class B common stockholders:			
Basic	\$ (16.12)	\$ (0.57)	\$ 2.97
Diluted	<u>\$ (16.12)</u>	<u>\$ (0.57)</u>	<u>\$ 2.79</u>

The rights, including the liquidation and dividend rights, of the holders of Class A and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share and each share of Class B common stock is entitled to 20 votes per share. Each share of Class B common stock is convertible into a share of Class A common stock voluntarily at any time by the holder, and automatically upon certain events. The Class A common stock has no conversion rights. As the liquidation and dividend rights are identical for Class A and Class B common stock, the undistributed earnings are allocated on a proportional basis and the resulting net loss per share attributable to common stockholders will, therefore, be the same for both Class A and Class B common stock on an individual or combined basis.

There were no preferred dividends declared or accumulated for the years ended December 31, 2020, 2021, and 2022. As of December 31, 2020, 2021, and 2022, RSUs to be settled in 12.0 million, 9.6 million, and 9.6 million, respectively, shares of Class A common stock were excluded from the table below because they are subject to market conditions that were not achieved as of such date. As of December 31, 2020 and 2021, 0.5 million shares of RSAs were excluded from the table below because they are subject to performance conditions that were not achieved as of such date. As of December 31, 2022, 0.3 million shares of RSAs were excluded from the table below because they are subject to performance conditions that were not achieved as of such date. The 2026 Notes issued in March 2021 are deemed to be anti-dilutive under the if-converted method for the year ended December 31, 2021. Refer to Note 9, *Debt*, for further information on the 2026 Notes.

Additionally, the following securities were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive (in millions):

	Year Ended December 31,		
	2020	2021	2022
2026 Notes ⁽¹⁾	—	11	—
Warrants	8	8	—
Escrow shares	1	—	—
Stock options	41	24	1
RSUs	36	26	9
ESPP	1	1	—
Total	87	70	10

(1) Holders of the 2026 Notes who convert their 2026 Notes in connection with certain corporate events that constitute a make-whole fundamental change are entitled to an increase in the conversion rate. The 11.1 million shares represents the maximum number of shares that could have been issued upon conversion after considering the make-whole fundamental change adjustment on an unweighted basis.

Note 15. Employee Benefit Plan

The Company maintains a 401(k) defined contribution benefit plan that covers substantially all of its domestic employees. The plan allows U.S. employees to make voluntary pre-tax contributions in certain investments at the discretion of the employee, up to maximum annual contribution subject to Internal Revenue Code limitations. The Company matched a portion of employee contributions totaling \$22.4 million, \$19.1 million, and \$23.4 million for the years ended December 31, 2020, 2021, and 2022, respectively. Both employee contributions and the Company's matching contributions are fully vested upon contribution.

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Notes to Consolidated Financial Statements

Note 16. Geographic Information

The following table sets forth the breakdown of revenue by geography, determined based on the location of the Host's listing (in millions):

	Year Ended December 31,		
	2020	2021	2022
United States	\$ 1,649	\$ 2,996	\$ 3,890
International ⁽¹⁾	1,729	2,996	4,509
Total revenue	<u>\$ 3,378</u>	<u>\$ 5,992</u>	<u>\$ 8,399</u>

(1) No individual international country represented 10% or more of the Company's total revenue for years ended December 31, 2020, 2021, and 2022.

The following table sets forth the breakdown of long-lived assets based on geography (in millions):

	December 31,	
	2021	2022
United States	\$ 330	\$ 203
Ireland	57	36
Other international	42	20
Total long-lived assets	<u>\$ 429</u>	<u>\$ 259</u>

Tangible long-lived assets as of December 31, 2021 and 2022 consisted of property and equipment and operating lease ROU assets. Long-lived assets attributed to the United States, Ireland, and other international geographies are based upon the country in which the asset is located.

Note 17. Restructuring

During the year ended December 31, 2020, the Company experienced significant economic challenges associated with a severe decline in bookings, resulting primarily from COVID-19 and overall global travel restrictions. To address these impacts, in May 2020, the Company's management approved a restructuring plan to realign the Company's business and strategic priorities based on the current market and economic conditions as a result of COVID-19. This worldwide restructuring plan included a 25% reduction in the number of full-time employees, or approximately 1,800 employees, as well as a reduction in the contingent workforce and amendments to certain commercial agreements. These restructuring expenses are included in the Company's consolidated statements of operations, and unpaid amounts are included in accrued expenses and other current liabilities on its consolidated balance sheets. The cumulative restructuring charges as of December 31, 2022 was \$353.3 million, for which the majority of these restructuring actions were completed in 2020. As of December 31, 2022, the restructuring liabilities were not material.

For the year ended December 31, 2020, the Company incurred \$151.4 million in restructuring charges, of which \$103.8 million was related to severance and other employee costs, \$35.8 million was related to lease impairments, and \$11.8 million was primarily related to contract amendments and terminations. For the year ended December 31, 2021, the Company incurred \$112.8 million in restructuring charges, including \$75.3 million related to impairments of operating lease ROU assets and \$37.2 million related to impairments of leasehold improvements.

In 2022, the Company shifted to a remote work model, allowing its employees to work from anywhere in the country they currently work. The shift to a remote work model was in direct response to the change in how employees work due to the impact of COVID-19. As a result, for the year ended December 31, 2022, the Company recorded restructuring charges of \$89.1 million, which include \$80.5 million relating to an impairment of both domestic and international operating lease ROU assets, and \$8.4 million of related leasehold improvements.

Note 18. Related Party Transactions

An individual who served as an executive officer of the Company through March 1, 2020, also served as a director of a payment processing vendor. The Company is party to a merchant agreement with the vendor whereby the Company earns transaction fees and incentives for offering its services to its customers in certain markets and satisfying certain base requirements pursuant to the agreement. The Company applies the transaction fees and incentives received to partially offset the merchant fees charged by the vendor. On March 1, 2020, this individual ceased as an employee of the Company and was appointed to the Company's board of directors.

Net expense with this vendor was \$210.9 million for the year ended December 31, 2020, and was included in cost of revenue in the consolidated statements of operations.

Airbnb, Inc.

Schedule II—Valuation and Qualifying Accounts

The tables below detail the activity of the customer receivable reserve, insurance liability, and the valuation allowance on deferred tax assets for the years ended December 31, 2020, 2021, and 2022 (in millions):

	Balance at Beginning of Year	Charged to Expenses	Charges Utilized/ Write-Offs	Balance at End of Year
Customer Receivable Reserve				
Year Ended December 31, 2020	\$ 51	\$ 108	(68)	\$ 91
Year Ended December 31, 2021	\$ 91	\$ 27	(87)	\$ 31
Year Ended December 31, 2022	\$ 31	\$ 49	(41)	\$ 39
 Insurance Liability				
	Balance at Beginning of Year	Additions for Current Period	Changes in Estimates for Prior Periods	Net Payments
Year Ended December 31, 2020	\$ 73	\$ 98	(21)	\$ (99)
Year Ended December 31, 2021	\$ 51	\$ 85	1	\$ (90)
Year Ended December 31, 2022	\$ 47	\$ 140	(5)	\$ (121)
 Valuation Allowance on Deferred Tax Assets				
	Balance at Beginning of Year	Charged (Credited) to Expenses	Charged to Other Accounts	Balance at End of Year
Year Ended December 31, 2020	\$ 1,024	\$ 1,029	—	\$ 2,053
Year Ended December 31, 2021	\$ 2,053	\$ 1,211	—	\$ 3,264
Year Ended December 31, 2022	\$ 3,264	\$ (98)	—	\$ 3,166

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. Based on that evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of December 31, 2022, the end of the period covered by this Annual Report on Form 10-K, to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Our management, under the supervision of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2022 based on the framework in *Internal Control-Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management, including our principal executive officer and principal financial officer, concluded that our internal control over financial reporting was effective as of December 31, 2022.

The effectiveness of our internal control over financial reporting as of December 31, 2022 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended December 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Controls

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their desired objectives. Management does not expect, however, that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company have been detected.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated by reference to the Company's 2023 Proxy Statement (the "2023 Proxy Statement") to be filed with the SEC within 120 days after December 31, 2022 in connection with the solicitation of proxies for the Company's 2023 annual meeting of stockholders.

We have adopted a Code of Ethics that applies to our officers, directors and employees, which is available on our website (investors.airbnb.com) under "Governance." The Code of Ethics is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002, as amended, and Item 406 of Regulation S-K. In addition, we intend to promptly disclose on our website (investors.airbnb.com) (1) the nature of any amendment to our Code of Ethics that applies to our directors or our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions and (2) the nature of any waiver, including an implicit waiver, from a provision of our Code of Ethics that is granted to a director or one of these specified officers, the name of such person who is granted the waiver and the date of the waiver.

Item 11. Executive Compensation

The information required by this Item is incorporated by reference to the 2023 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated by reference to the 2023 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated by reference to the 2023 Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information required by this Item is incorporated by reference to the 2023 Proxy Statement.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Documents filed as part of this Annual Report on Form 10-K:

(1) Consolidated Financial Statements

Our consolidated financial statements are listed in the "Index to Consolidated Financial Statements and Schedule" under Part II, Item 8 of this Annual Report on Form 10-K.

(2) Financial Statement Schedules

All financial statement schedules have been omitted because they are not applicable, not material or the required information is shown in Part II, Item 8 of this Annual Report on Form 10-K.

(3) Exhibits

The documents listed in the Exhibit Index of this Annual Report on Form 10-K are incorporated by reference or are filed with this Annual Report on Form 10-K, in each case as indicated herein (numbered in accordance with Item 601 of Regulation S-K).

Item 16. Form 10-K Summary

None.

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File Number	Date	Number	
3.1	Restated Certificate of Incorporation of the Registrant	8-K	001-39778	12/14/2020	3.1	
3.2	Amended and Restated Bylaws, of the Registrant	8-K	001-39778	12/14/2020	3.2	
4.1	Description of Securities	10-K	001-39778	02/25/2022	4.1	
4.2	Form of Class A Common Stock Certificate	S-1	333-250118	11/16/2020	4.2	
4.3	Form of Class B Common Stock Certificate	S-8	333-251251	12/10/2020	4.6	
4.4	Amended and Restated Investors' Rights Agreement, dated April 17, 2020, by and among the Registrant and the investors listed therein	S-1	333-250118	11/16/2020	4.3	
4.5	Amendment to Amended and Restated Investors' Rights Agreement, dated November 17, 2020, by and among the Registrant and the Investors listed therein	S-1/A	333-250118	12/01/2020	4.4	
4.6	Indenture, dated as of March 8, 2021, between Airbnb, Inc. and U.S. Bank National Association, as trustee	8-K	001-39778	03/08/2021	4.1	
4.7	Form of Certificate representing the 0% Convertible Senior Notes due 2026 (included as Exhibit A to Exhibit 4.6)	8-K	001-39778	03/08/2021	4.1	
4.8	Warrant Amendment Agreement No. 2, dated March 30, 2021, by and between the Registrant and Redwood IV Finance 1, LLC	10-Q	001-39778	05/14/2021	4.3	
4.9	Warrant Amendment Agreement No. 2, dated March 30, 2021, by and between the Registrant and SLP Constellation Aggregator II, LLC	10-Q	001-39778	05/14/2021	4.4	
4.10	Warrant Amendment Agreement No. 2, dated March 30, 2021, by and between the Registrant and TAO Finance 1, LLC	10-Q	001-39778	05/14/2021	4.5	
4.11	Warrant to Purchase Class A Common Stock, dated April 17, 2020, issued to Redwood IV Finance 1, LLC	S-1/A	333-250118	12/01/2020	4.5	
4.12	Warrant to Purchase Class A Common Stock, dated May 19, 2020, issued to SLP Constellation Aggregator II, L.P.	S-1/A	333-250118	12/01/2020	4.6	
4.13	Warrant to Purchase Class A Common Stock, dated April 17, 2020, issued to TAO Finance 1, LLC	S-1/A	333-250118	12/01/2020	4.7	
4.14	Amended and Restated Warrant No. 1 to Purchase Class A Common Stock, dated October 18, 2022, issued to TCS Finance (A), LLC	10-Q	001-39778	11/03/2022	4.1	
4.15	Amended and Restated Warrant No. 1 to Purchase Class A Common Stock, dated October 18, 2022, issued to TCS Finance 1, LLC	10-Q	001-39778	11/03/2022	4.2	
4.16	Amended and Restated Warrant No. 1 to Purchase Class A Common Stock, dated October 18, 2022, issued to Goldman Sachs & Co. LLC	10-Q	001-39778	11/03/2022	4.3	
10.1	Lease Agreement, dated June 9, 2017, by and among the Registrant and Big Dog Holdings LLC	S-1	333-250118	11/16/2020	10.1	
10.2	First Amendment to Lease Agreement by and among the Registrant and Big Dog Holdings LLC, effective February 7, 2019	S-1	333-250118	11/16/2020	10.2	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File Number	Date	Number	
10.3	Second Amendment to Lease Agreement by and among the Registrant and BCP-CG 650 PROPERTY LLC, effective September 27, 2022	10-Q	001-39778	11/03/2022	10.4	
10.4	Office Lease Agreement, dated April 26, 2012, by and among the Registrant and 888 Brannan LP	S-1	333-250118	11/16/2020	10.3	
10.5	First Amendment to Office Lease Agreement, dated December 10, 2013, by and among the Registrant and 888 Brannan LP	S-1	333-250118	11/16/2020	10.4	
10.6	Second Amendment to Office Lease Agreement, dated May 29, 2014, by and among the Registrant and 888 Brannan LP	S-1	333-250118	11/16/2020	10.5	
10.7	Third Amendment to Office Lease Agreement, dated February 24, 2015, by and among the Registrant and 888 Brannan LP	S-1	333-250118	11/16/2020	10.6	
10.8	Fourth Amendment to Office Lease Agreement, dated May 13, 2015, by and among the Registrant and 888 Brannan LP	S-1	333-250118	11/16/2020	10.7	
10.9	Fifth Amendment to Office Lease Agreement, dated June 14, 2017, by and among the Registrant and 888 Brannan LP	S-1	333-250118	11/16/2020	10.8	
10.10	Sixth Amendment to Office Lease Agreement, dated September 26, 2019, by and among the Registrant and 888 Brannan LP	S-1	333-250118	11/16/2020	10.9	
10.11	Seventh Amendment to Office Lease Agreement, dated October 8, 2020, by and among the Registrant and T-C 888 Brannan Owner LLC	S-1	333-250118	11/16/2020	10.10	
10.12	Eight Amendment to Office Lease Agreement, dated September 28, 2021, by and among the Registrant and T-C 888 Brannan Owner LLC	10-K	001-39778	02/25/2022	10.11	
10.13	Ninth Amendment to Office Lease Agreement, dated October 18, 2022, by and among the Registrant and T-C 888 Brannan Owner	10-Q	001-39778	11/03/2022	10.3	
10.14(a)#	2008 Equity Incentive Plan	S-1	333-250118	11/16/2020	10.11(a)	
10.14(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under 2008 Equity Incentive Plan	S-1/A	333-250118	12/01/2020	10.11(b)	
10.14(c)#	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement under 2008 Equity Incentive Plan	S-1	333-250118	11/16/2020	10.11(c)	
10.15(a)#	2018 Equity Incentive Plan	S-1/A	333-250118	12/01/2020	10.12(a)	
10.15(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under 2018 Equity Incentive Plan	S-1	333-250118	11/16/2020	10.12(b)	
10.15(c)#	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Award Agreement under 2018 Equity Incentive Plan	S-1	333-250118	11/16/2020	10.12(c)	
10.16#	Hotel Tonight, Inc. 2011 Equity Incentive Plan	S-1	333-250118	11/16/2020	10.13	
10.17(a)#	2020 Incentive Award Plan	S-1/A	333-250118	12/01/2020	10.14(a)	
10.17(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2020 Incentive Award Plan	S-1	333-250118	11/16/2020	10.14(b)	
10.17(c)#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2020 Incentive Award Plan	S-1	333-250118	11/16/2020	10.14(c)	
10.18#	Employee Stock Purchase Plan	S-1/A	333-250118	12/01/2020	10.15	
10.19#	Employment Agreement by and between the Registrant and Brian Chesky	S-1	333-250118	11/16/2020	10.16	
10.20#	Employment Agreement by and between the Registrant and Nathan Blecharczyk	S-1	333-250118	11/16/2020	10.18	
10.21#	Employment Agreement by and between the Registrant and Dave Stephenson	S-1	333-250118	11/16/2020	10.19	
10.22#	Employment Agreement by and between the Registrant and Aristotle Balogh	S-1	333-250118	11/16/2020	10.20	
10.23#	Employment Agreement by and between the Registrant and Catherine Powell	S-1/A	333-250118	12/01/2020	10.21	
10.24#	Non-Employee Director Compensation Program	S-1/A	333-250118	12/01/2020	10.24	
10.25#	Form of Indemnification Agreement for Directors and Officers	S-1	333-250118	11/16/2020	10.25	
10.26	Nominating Agreement, dated as of November 27, 2020, by and among Brian Chesky, Joe Gebbia, Nathan Blecharczyk and the Registrant	S-1/A	333-250118	12/01/2020	10.29	
10.27	Voting Agreement, dated as of December 4, 2020, by and among Brian Chesky, Joe Gebbia, Nathan Blecharczyk, and certain affiliated trusts and entities described therein	S-1/A	333-250118	12/07/2020	10.31	
10.28	Form of Capped Call Confirmation	8-K	001-39778	03/08/2021	10.1	
10.29	Form of Change in Control and Severance Agreement between the Registrant and its Executive Officers	10-Q	001-39778	05/09/2022	10.1	
10.30	Advisor Agreement by and between the Registrant and Joe Gebbia, dated August 23, 2022	10-Q	001-39778	11/03/2022	10.1	X
10.31	Revolving Credit Agreement, dated October 31, 2022, by and among the Registrant, certain subsidiaries of the Registrant, and Morgan Stanley Senior, as amended February 16, 2023					
21.1	List of Subsidiaries					X
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File Number	Date	Number	
24.1	Power of Attorney (included in signature pages hereto)					X
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101	The following financial statements from the Company's 10-K, formatted as Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations (iii), Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit), (v) Consolidated Statements of Cash Flows, and (vi) Notes to consolidated financial statements					X
104	Cover page interactive data file (formatted as Inline XBRL and contained in Exhibit 101)					X

Indicates management contract or compensatory plan.

* The certifications attached as Exhibit 32.1 that accompany this Annual Report on Form 10-K are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Airbnb, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

AIRBNB, INC.

By: /s/ Brian Chesky

Brian Chesky
Chief Executive Officer

Date: February 17, 2023

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Brian Chesky, David E. Stephenson, and Rich Baer, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name and Signature	Title	Date
<u>/s/ Brian Chesky</u> Brian Chesky	Chief Executive Officer and Director (Principal Executive Officer)	February 17, 2023
<u>/s/ David E. Stephenson</u> David E. Stephenson	Chief Financial Officer (Principal Financial Officer)	February 17, 2023
<u>/s/ David Bernstein</u> David Bernstein	Chief Accounting Officer (Principal Accounting Officer)	February 17, 2023
<u>/s/ Angela Ahrendts</u> Angela Ahrendts	Director	February 17, 2023
<u>/s/ Amrita Ahuja</u> Amrita Ahuja	Director	February 17, 2023
<u>/s/ Nathan Blecharczyk</u> Nathan Blecharczyk	Director	February 17, 2023
<u>/s/ Kenneth Chenault</u> Kenneth Chenault	Director	February 17, 2023
<u>/s/ Joseph Gebbia</u> Joseph Gebbia	Director	February 17, 2023
<u>/s/ Belinda Johnson</u> Belinda Johnson	Director	February 17, 2023
<u>/s/ Jeffrey Jordan</u> Jeffrey Jordan	Director	February 17, 2023
<u>/s/ Alfred Lin</u> Alfred Lin	Director	February 17, 2023

REVOLVING CREDIT AGREEMENT

dated as of October 31, 2022, among

AIRBNB, INC.,
as the Borrower,

the GUARANTORS Party Hereto the LENDERS Party Hereto

MORGAN STANLEY SENIOR FUNDING, INC.,
as the Administrative Agent and an Issuing Bank,

MORGAN STANLEY SENIOR FUNDING, INC., BOFA SECURITIES, INC., and
GOLDMAN SACHS LENDING PARTNERS LLC,
as Joint Lead Arrangers and Joint Bookrunners

MORGAN STANLEY SENIOR FUNDING, INC., BANK OF AMERICA, N.A.,
GOLDMAN SACHS LENDING PARTNERS LLC, BARCLAYS BANK PLC,
CITIBANK, N.A., JPMORGAN CHASE BANK, N.A., and
MIZUHO BANK, LTD.,
as Syndication Agents

BANK OF THE WEST, HSBC BANK USA, N.A.,
ROYAL BANK OF CANADA, SANTANDER BANK, N.A., and
STANDARD CHARTERED BANK,
as Documentation Agents

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Schedule 9.01 — Administrative Agent's Office; Certain Addresses for Notices EXHIBITS:

Exhibit A — Form of Assignment and Assumption Exhibit B — Form of Borrowing Request

Exhibit C — Form of Compliance Certificate Exhibit D — Form of Interest Election Request Exhibit E — Form of Solvency Certificate

Exhibit F — Form of Additional Guarantor Supplement Exhibit G — Form of Notice of Loan Prepayment Exhibit H — Form of U.S. Tax Compliance Certificates Exhibit I — Form of Pricing Certificate

REVOLVING CREDIT AGREEMENT dated as of October 31, 2022, among AIRBNB, INC., a Delaware corporation (the “Borrower”), the GUARANTORS party hereto, the LENDERS party hereto, and MORGAN STANLEY SENIOR FUNDING, INC., as the Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Accepting Lenders” has the meaning specified in Section 2.18(a).

“Acquired Debt” means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, or to provide all or any portion of the funds or credit support utilized in connection with, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; provided, however, that any Indebtedness of such acquired Person that is redeemed, defeased, retired or otherwise repaid at the time of or immediately upon consummation of the transactions by which such Person merges with or into, consolidates, amalgamates or otherwise combines with or becomes a Subsidiary of such Person shall not be considered to be Acquired Debt; and

(2) Indebtedness secured by an existing Lien encumbering any asset acquired by such specified Person.

“Acquired EBITDA” means, with respect to any Acquired Entity or Business for any period, the amount for such period of Consolidated EBITDA of such Acquired Entity or Business (determined as if references to the Borrower and the Subsidiaries in the definition of Consolidated EBITDA were references to such Acquired Entity or Business and its Subsidiaries), as applicable, all as determined on a consolidated basis for such Acquired Entity or Business, as applicable.

“Acquired Entity or Business” has the meaning specified in the definition of “Consolidated EBITDA”.

“Acquisition” means any acquisition, or series of related acquisitions (including pursuant to any amalgamation, merger or consolidation), of property that constitutes (a) assets comprising all or substantially all of a division, business or operating unit or product line of any Person or (b) all or substantially all of the Equity Interests in a Person.

“Acquisition Indebtedness” means any Indebtedness of the Borrower or any Subsidiary that has been incurred for the purpose of financing, in whole or in part, an Acquisition and any related transactions (including for the purpose of refinancing or replacing all or a portion of any related bridge facilities or any pre-existing Indebtedness of the Persons or assets to be acquired); provided that either (x) the release of the

proceeds thereof to the Borrower and the Subsidiaries is contingent upon the substantially simultaneous consummation of such Acquisition (and, if the definitive agreement for such Acquisition is terminated prior to the consummation of such Acquisition, or if such Acquisition is otherwise not consummated by the date specified in the definitive documentation evidencing, governing the rights of the holders of or otherwise relating to such Indebtedness, then, in each case, such proceeds are, and pursuant to the terms of such definitive documentation are required to be, promptly applied to satisfy and discharge all obligations of the Borrower and the Subsidiaries in respect of such Indebtedness) or (y) such Indebtedness contains a “special mandatory redemption” provision (or a similar provision) if such Acquisition is not consummated by the date specified in the definitive documentation evidencing, governing the rights of the holders of or otherwise relating to such indebtedness (and, if the definitive agreement for such Acquisition is terminated prior to the consummation of such Acquisition or such Acquisition is otherwise not consummated by the date so specified, such Indebtedness is, and pursuant to such “special mandatory redemption” (or similar) provision is required to be, redeemed or otherwise satisfied and discharged promptly after such termination or such specified date, as the case may be).

“Additional Guarantor Supplement” has the meaning specified in Section 10.01.

“Additional Lender” has the meaning assigned to such term in Section 2.21(a).

“Adjusted Daily Simple RFR” means, (i) with respect to any Borrowing denominated in Sterling, an interest rate per annum equal to (a) the Daily Simple RFR for Sterling, *plus* (b)(1) to the extent the Interest Payment Date occurs every month, 0.0326% and (2) to the extent the Interest Payment Date occurs every three months, 0.1193% and (ii) with respect to any RFR Borrowing denominated in dollars, an interest rate per annum equal to (a) the Daily Simple RFR for dollars, *plus* (b) 0.100%; *provided that* if the Adjusted Daily Simple RFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euros for any Interest Period, an interest rate per annum equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided that* if the Adjusted EURIBOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in dollars for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, *plus* (b) 0.100%; *provided that* if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Administrative Agent” means Morgan Stanley, in its capacity as the administrative agent under the Loan Documents, and its successors in such capacity as provided in Article VIII.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly Controls, is Controlled by or is under common Control with the Person specified.

“Aggregate Revolving Commitment” means the sum of the Revolving Commitments of all the Lenders.

“Aggregate Revolving Exposure” means the sum of the Revolving Exposures of all the Lenders.

“Agreement” means this Revolving Credit Agreement.

“Agreed Currencies” means dollars and each Alternative Currency.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus $\frac{1}{2}$ of 1.00% per annum and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such date (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.0%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.11 hereof, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

“Alternative Currency” means Sterling, Euros, Singapore Dollars, Yen and Australian Dollars.

“Anti-Corruption Laws” means the United States Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, et seq., the Bribery Act 2010 of the United Kingdom, and all other laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Affiliates from time to time concerning or relating to bribery, corruption or money laundering.

“Applicable Creditor” has the meaning set forth in Section 9.21.

“Applicable Issuing Bank” means, with respect to any Letter of Credit, the Issuing Bank that has issued or shall issue such Letter of Credit, and with respect to any LC Disbursement, the Issuing Bank that has made such LC Disbursement.

“Applicable Rate” means, for any day, with respect to any Loan that is an ABR Loan, a CBR Loan, an RFR Loan or a Term Benchmark Loan or with respect to the Revolving Commitment Fees, the applicable rate per annum set forth below under the applicable caption “ABR Spread”, “CBR Spread”, “Term Benchmark Spread” or “RFR Spread” or “Revolving Commitment Fee Rate”, as the case may be, based upon the Senior Unsecured Ratings or, if applicable, the Leverage Ratio in effect on such date, as set forth below.

Senior Unsecured Ratings (S&P/Moody's)	Leverage Ratio	ABR Spread or CBR Spread (per annum)	RFR Spread or Term Benchmark Spread (per annum)	Revolving Commitment Fee Rate (per annum)
Level 1 BBB+/Baa1 or above	Level 1 $\leq 1.00x$	0.000%	1.000%	0.100%

Senior Unsecured Ratings (S&P/Moody's)	Leverage Ratio	ABR Spread or CBR Spread (per annum)	RFR Spread or Term Benchmark Spread (per annum)	Revolving Commitment Fee Rate (per annum)
Level 2 BBB/Baa2	Level 2 $> 1.00x \text{ and } \leq 1.50x$	0.125%	1.125%	0.125%
Level 3 BBB-/Baa3	Level 3 $> 1.50x \text{ and } \leq 2.50x$	0.250%	1.250%	0.150%
Level 4 BB+/Ba1 or lower	Level 4 $> 2.50x$	0.500%	1.500%	0.200%

For purposes of the foregoing, (a) if any Rating Agency shall not have in effect a Senior Unsecured Rating (other than by reason of the circumstances referred to in the last sentence of this paragraph), then (i) if only one Rating Agency shall not have in effect a Senior Unsecured Rating, the Level then in effect shall be determined by reference to the remaining effective Senior Unsecured Rating and (ii) if no Rating Agency shall have in effect a Senior Unsecured Rating, then the Applicable Rate shall be determined by reference to the Leverage Ratio, (b) if the Senior Unsecured Ratings in effect or deemed to be in effect shall fall within different Levels, then the Level then in effect shall be based on the higher of the two Senior Unsecured Ratings unless one of the two Senior Unsecured Ratings is two or more Levels lower than the other, in which case the Level then in effect shall be determined by reference to the Level next below that of the higher of the two Senior Unsecured Ratings, and (c) if the Senior Unsecured Ratings established or deemed to have been established by either Rating Agency shall be changed (other than as a result of a change in the rating system of such Rating Agency), such change shall be effective as of the date on which it is first publicly announced by such Rating Agency, irrespective of when notice of such change shall have been furnished by the Borrower to the Administrative Agent and the Lenders pursuant to this Agreement or otherwise. Each change in the Applicable Rate for any change in Senior Unsecured Ratings shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. Each change in the Applicable Rate for any change in the Leverage Ratio shall apply during the period commencing on delivery of a Compliance Certificate reflecting such change in Leverage Ratio and ending on the date immediately preceding the effective date of the next such change in the Leverage Ratio. If the rating system of (i) one of the Rating Agencies shall change, or if one of the Rating Agencies shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of a Senior Unsecured Rating from such Rating Agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the Senior Unsecured Rating of the other Rating Agency or (ii) both Rating Agencies shall change, or if both Rating Agencies shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of a Senior Unsecured Rating from both Rating Agencies and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the Leverage Ratio. For the avoidance of doubt, the Applicable Rate shall only be determined by reference to the Leverage Ratio under the circumstances set forth in clause (a)(ii) of the first sentence of this paragraph or in clause (ii) of the preceding sentence.

It is hereby understood and agreed that the Applicable Rate with respect to ABR Loans, RFR Loans, Term Benchmark Loans and the Revolving Commitment Fee Rate shall be adjusted from time to time based upon the Sustainability Margin Adjustment and the Sustainability Fee Adjustment (to be calculated and applied as set forth in Section 1.13); provided that in no event shall the Applicable Rate be less than 0.000%.

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its activities and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arrangers” means Morgan Stanley, BofA Securities, Inc. and Goldman Sachs Lending Partners LLC in their capacities as joint lead arrangers and bookrunners for the Revolving Facility.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee, with the consent of any Person whose consent is required by Section 9.04, and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Assumption Agreement” has the meaning set forth in Section 6.04(a).

“Attributable Debt” means, with respect to any Sale/Leaseback Transaction, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such Sale/Leaseback Transaction) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights) during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended). In the case of any lease that is terminable by the lessee upon payment of a penalty, the Attributable Debt shall be the lesser of the Attributable Debt determined assuming termination on the first date such lease may be terminated (in which case the Attributable Debt shall also include the amount of the penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the Attributable Debt determined assuming no such termination.

“Australian Dollars” means lawful money of the Commonwealth of Australia.

“Available Revolving Commitment” means, at any time, the aggregate Revolving Commitments then in effect *minus* the sum of (a) the outstanding principal amount of Loans (but excluding Swingline Loans) of all Lenders at such time *plus* (b) the LC Exposure of all Lenders at such time.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Currency, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with respect to such Benchmark pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (e) of Section 2.11.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

Bail-In Legislation means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

Bankruptcy Event means, with respect to any Person, that such Person has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, liquidator, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in, any such proceeding or appointment (unless, in the case of any such Person that is a Lender hereunder, the Borrower, the Administrative Agent, the Issuing Banks and the Swingline Lender shall be satisfied that such Lender intends, and has all approvals required to enable it, to continue to perform its obligations as a Lender hereunder); *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority; *provided, however*, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any agreements made by such Person.

BBSY Rate means the rate per annum equal to the Bank Bill Swap Reference Bid Rate, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) two (2) Business Days prior to the commencement of an Interest Period with a term equivalent to such Interest Period; *provided that* if the BBSY Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

Benchmark means, initially, with respect to any (i) any Term Benchmark Borrowing denominated in dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the Adjusted EURIBOR Rate, (iii) with respect to any Term Benchmark Borrowing denominated in Australian Dollars, the BBSY Rate, (iv) with respect to any Term Benchmark Borrowing denominated in Yen, the TIBOR Rate, (v) with respect to any RFR Borrowing denominated in Sterling, the applicable Adjusted Daily Simple RFR, (vi) with respect to any RFR Borrowing denominated in Singapore Dollars, the applicable Daily Simple RFR or (vii) with respect to any RFR Borrowing denominated in dollars, the Adjusted Daily Simple SOFR Rate (to the extent applicable pursuant to Section 2.11); *provided that* if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then- current Benchmark for such Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.11.

Benchmark Replacement means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (1) in the case of any Loans denominated in dollars, the Adjusted Daily Simple RFR;

(2) in the case of any Loans denominated in Euros, the sum of (a) the Daily Simple ESTR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

Benchmark Replacement Adjustment means, with respect to any replacement of the then- current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time.

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "RFR Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent (in consultation with the Borrower) decides may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides (in consultation with the Borrower) is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

Benchmark Replacement Date means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

1. in the case of clause (3) of the definition of “Benchmark Transition Event”, the first date on which all Available Tenors of such Benchmark (or the published component used in the calculation thereof) have been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11 and (y) ending at

the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Board of Governors” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” has the meaning assigned to such term in the preamble.

“Borrowing” means (a) Loans of the same Type made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect and (b) a Swingline Loan.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be, in the case of any such written request, in the form of Exhibit B or any other form approved by the Administrative Agent.

“Business Day” means, as applicable, (a) any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed, (b) in relation to Loans denominated in Euros, any day which is a TARGET Day, (c) in relation to any Loans denominated in Sterling, a day other than a day banks are closed for general business in London because such day is a Saturday, Sunday or a legal holiday under the laws of the United Kingdom, (d) in relation to Loans denominated in Yen, a day other than when banks are closed for general business in Japan and (e) in relation to any Loan denominated in any other Alternative Currency, any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

“Canadian dollars” or “C\$” means dollars in lawful currency of Canada.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP; and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. For purposes of Section 6.02, a Capital Lease Obligation shall be deemed to be secured by a Lien on the property being leased and such property shall be deemed to be owned by the lessee.

“Cash Equivalents” means:

(a) dollars, Canadian Dollars, Euros, Sterling, Australian Dollars, Yen and Singapore Dollars;

- a. in the case of the Borrower or a Subsidiary, such local currencies held by them from time to time in the ordinary course of business;
 - b. securities issued or directly and fully and unconditionally guaranteed or insured by the U.S. government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;
 - c. certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than \$250,000,000 in the case of U.S. banks and \$100,000,000 (or the U.S. dollar equivalent as of the date of determination) in the case of non-U.S. banks;
 - d. repurchase obligations for underlying securities of the types described in clauses (c) and (d) entered into with any financial institution meeting the qualifications specified in clause (d) above;
- (f) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P and in each case maturing within 24 months after the date of creation thereof;
- (g) marketable short-term money market and similar securities having a rating of at least P-1 or A-1 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of creation thereof;
- (h) investment funds investing 95% of their assets in securities of the types described in clauses (a) through (g) above;
- (i) readily marketable direct obligations issued by any state, commonwealth or territory of the United States or any political subdivision or taxing authority thereof having an Investment Grade Rating from either Moody's or S&P with maturities of 24 months or less from the date of acquisition;
- (j) [Reserved];
- (k) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated AAA (or the equivalent thereof) or better by S&P or Aaa (or the equivalent thereof) or better by Moody's;
- (l) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (k) above; and

(m) in the case of any Foreign Subsidiary, investments of comparable tenure and credit quality to those described in the foregoing clauses (a) through (l) or other high quality short term investments, in each case, customarily utilized in countries in which such Foreign Subsidiary operates for short term cash management purposes.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (a) and (b) above, provided that such amounts are

converted into any currency listed in clause (a) and (b) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

“Cash Management Obligations” means Obligations under any facilities or services related to cash management, including treasury, depository, overdraft, credit or debit card, automated clearing house fund transfer services, purchase card, electronic funds transfer (including non-card e-payables services) and other cash management arrangements and commercial credit card and merchant card services.

“Cash Pooling Arrangements” means a deposit account arrangement among a single depository institution, the Borrower and one or more Foreign Subsidiaries involving the pooling of cash deposits in and overdrafts in respect of one or more deposit accounts (each located outside of the United States and any States and territories thereof) with such institution by the Borrower and such Foreign Subsidiaries for cash management purposes.

“CFC” means a Foreign Subsidiary of the Borrower that is a “controlled foreign corporation” within the meaning of Section 957 of the Code.

“CBR Loan” means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

“CBR Spread” means the Applicable Rate, applicable to such Loan that is replaced by a CBR Loan.

“Central Bank Rate” means, (A) the greater of (i) for any Loan denominated in (a) Sterling, the Bank of England (or any successor thereto)’s “Bank Rate” as published by the Bank of England (or any successor thereto) from time to time, (b) Euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time, (c) Yen, the “short-term prime rate” as publicly announced by the Bank of Japan (or any successor thereto) from time to time and (d) any other Alternative Currency, a central bank rate as determined by the Administrative Agent in its reasonable discretion and (ii) the Floor; plus (B) the applicable Central Bank Rate Adjustment.

“Central Bank Rate Adjustment” means, for any day, for any Loan denominated in (a) Euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBOR Rate for the five most recent Business Days preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Euro in effect on the last Business Day in such period, (b) Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Sterling Borrowings for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Sterling in effect on the last RFR Business Day in such period, (c) Yen, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the TIBOR Rate

for the five most recent Business Days preceding such day for which TIBOR was available (excluding, from such averaging, the highest and the lowest such TIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Yen in effect on the last Business Day in such period and (d) any other Alternative Currency, a Central Bank Rate Adjustment as determined by the Administrative Agent in its reasonable discretion. For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (B) of the definition of such term and (y) each of the EURIBOR Rate and the TIBOR Rate on any day shall be based on the EURIBOR Screen Rate and the TIBOR Rate on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month.

A “Change in Control” shall be deemed to have occurred if (a) any Person or group of Persons (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 as in effect on the date hereof, but excluding any employee benefit plan of the Borrower and its Subsidiaries, and any Person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), shall have acquired beneficial ownership (within the meaning of Section 13(d) or 14(d) of the Exchange Act and the applicable rules and regulations thereunder) of more than 35% of the outstanding Voting Shares in the Borrower or (b) a “change in control” (or similar event, however denominated), under and as defined in any indenture, credit agreement or other agreement or instrument evidencing, governing the rights of the holders of or otherwise relating to any Material Indebtedness of the Borrower or any Subsidiary, shall have occurred with respect to the Borrower.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following:

(a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, promulgated or issued or implemented.

“Charges” has the meaning set forth in Section 9.13.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator). The market data is the property of Chicago Mercantile Exchange Inc. or its licensors as applicable. All rights reserved, or otherwise licensed by Chicago Mercantile Exchange Inc.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to Section 9.01, including through the Platform.

“Compliance Certificate” means a Compliance Certificate substantially in the form of Exhibit C or any other form approved by the Administrative Agent in its reasonable discretion.

“Consolidated EBITDA” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for such period plus the following to the extent deducted in calculating such Consolidated Net Income:

- (a) provision for income taxes,
- (b) interest expense and other income (expense),
- (c) depreciation and amortization expense (including amortization or impairment of Intangible Assets for Acquisitions or Dispositions) for such period,
- (d) stock-based compensation expense,
- (e) restructuring charges,
- (f) payroll taxes on exercise of stock options or vesting of restricted stock units or other equity awards in such period,
- (g) impairment of goodwill or other assets in such period,
- (h) extraordinary charges or losses,
- (i) any GAAP transaction expenses related to Acquisitions or Dispositions,
- (j) (x) unrealized net losses on obligations under any Swap Contract or other derivative instruments and from the revaluation of foreign currency denominated assets or liabilities, (y) bank and letter of credit fees and other financing fees and (z) costs of equity or debt offerings, including surety bonds, in connection with financing activities,
- (k) any other non-cash expenses, non-cash losses and non-cash charges, including any write-offs or write-downs reducing Consolidated Net Income for such period (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Borrower may elect not to add back such non-cash charge in the current period and (B) to the extent the Borrower elects to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent), but excluding amortization of a prepaid cash item that was paid in a prior period,
- (l) “run rate” cost savings, operating expense reductions and synergies related to mergers and other business combinations, acquisitions, divestitures, restructurings, cost savings initiatives and other similar initiatives consummated after the Effective Date that are reasonably identifiable and factually supportable and projected by the Borrower, in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the reasonable and good faith determination of the Borrower and as certified to by the chief executive officer, chief financial officer, treasurer, chief accounting officer or controller of the Borrower in a certificate delivered to the Administrative Agent), within 24 months after a merger or other business combination, acquisition, divestiture, restructuring, cost savings initiative or other initiative is consummated, net of the amount of actual benefits realized during such period from such actions, in each case calculated on a pro forma basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of such period for which Consolidated EBITDA is being determined and as if such cost savings, operating expense reductions and synergies were realized during the

entirety of such period; provided that the aggregate amount added pursuant to this clause (l) together with any cost savings included pursuant to the definition of Pro Forma Adjustments for such period, collectively, shall not exceed 15.0% of Consolidated EBITDA for such period (calculated prior to giving effect to the addition of all such amounts),

(m) any net loss for such period from disposed, abandoned or discontinued operations,

(n) net changes to the reserves for goods and services tax, value add taxes, lodging taxes or similar taxes for which management believes it is probable that the Borrower may be held jointly liable with hosts for collecting and remitting such taxes, and other similar taxes, and

(o) any GAAP expenses incurred associated with an initial public offering, including related payroll taxes (regardless of whether or not a registration statement is declared effective),

and minus the following to the extent included in calculating such Consolidated Net Income: (w) extraordinary gains, (x) interest income, (y) any reversals of non-cash exit and disposal costs during such period and any non-cash gains increasing Consolidated Net Income of the Borrower for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period and any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase Consolidated EBITDA in such prior period and (z) any net income for such period from disposed, abandoned or discontinued operations.

There shall be included in determining Consolidated EBITDA for any period, without duplication, (A) the Acquired EBITDA of any Person, property, business or asset acquired by the Borrower or any Subsidiary during such period (but not the Acquired EBITDA of any related Person, property, business or assets to the extent not so acquired), to the extent not subsequently sold, transferred or otherwise disposed by the Borrower or such Subsidiary during such period (each such Person, property, business or asset acquired and not subsequently so disposed of, an "Acquired Entity or Business"), based on the actual Acquired EBITDA of such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition or conversion) and (B) for the purposes of calculating the Leverage Ratio, an adjustment in respect of each Acquired Entity or Business equal to the amount of the Pro Forma Adjustment with respect to such Acquired Entity or Business for such period (including the portion thereof occurring prior to such acquisition) as specified in a certificate executed by the chief executive officer, chief financial officer, treasurer, chief accounting officer or controller of the Borrower and delivered to the Lenders and the Administrative Agent. There shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA of any Person, property, business or asset sold, transferred or otherwise disposed of or, closed or classified as discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of) by the Borrower or any Subsidiary during such period (each such Person, property, business or asset so sold or disposed of, a "Sold Entity or Business"), based on the actual Disposed EBITDA of such Sold Entity or Business for such period (including the portion thereof occurring prior to such sale, transfer or disposition).

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(a) consolidated interest expense of such Person and its Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (i)

amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (ii) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (iii) non-cash interest expense (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments pursuant to GAAP), (iv) the interest component of Capital Lease Obligations, (v) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness; (vi) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and

(vii) costs of surety bonds in connection with financing activities and excluding (x) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (y) any expensing of bridge, commitment and other financing fees and (z) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Receivables Facility); plus

(b) consolidated capitalized interest of such Person and its Subsidiaries for such period, whether paid or accrued; minus

(c) interest income of such Person and its Subsidiaries for such period.

For purposes of this definition, interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by the Borrower to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP.

“Consolidated Net Income” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the net income of the Borrower and its Subsidiaries (excluding extraordinary gains and extraordinary losses) for that period and computed in accordance with GAAP.

“Consolidated Total Indebtedness” means the aggregate principal amount of Indebtedness of the Borrower and its Subsidiaries (other than Subordinated Indebtedness and Indebtedness of the type described in clause (iv) of the definition thereof).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Credit Party” means the Administrative Agent and each Lender.

“Daily Simple ESTR” means, for any day, ESTR, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple ESTR” for business loans; provided that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion (in consultation with the Borrower); *provided that* if Daily Simple ESTR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Daily Simple RFR” means, for any day (an **“RFR Interest Day”**), an interest rate per annum equal to, for any RFR Loan denominated in (i) Sterling, SONIA for the day that is 5 RFR Business Days

prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day, (ii) Euros, Daily Simple ESTR (to the extent applicable pursuant to Section 2.11), (iii) dollars, Daily Simple SOFR (to the extent applicable pursuant to Section 2.11) and (iv) Singapore Dollars, SORA for the day that is 5 RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day.

Daily Simple SOFR means, for any day (a “SOFR Rate Day”), a rate per annum equal to SOFR for the day (such day “SOFR Determination Date”) that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

Debtor Relief Laws means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

Default means any event or condition that constitutes, or upon notice, lapse of time or both hereunder would constitute, an Event of Default.

Defaulting Lender means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, (i) to fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) to pay to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (not otherwise waived in accordance with the terms hereof) (specifically identified in such writing, including, if applicable, by reference to a specific Default) has not been satisfied, (b) has notified the Borrower or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good-faith determination that a condition precedent (specifically identified in such writing, including, if applicable, by reference to a specific Default) to funding a Loan cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent made in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent’s receipt of such certification in form and substance satisfactory to it, or (d) has become, or is a subsidiary of a Person that has become, the subject of a Bankruptcy Event or a Bail-In Action, or, in the good faith belief of any Issuing Bank or the Swingline Lender, has defaulted in fulfilling its obligations under one or more other agreements in which such Lender agrees to extend credit and, in either such case under this clause (d), any of an Issuing Bank or the Swingline Lender has deemed such Lender to be a Defaulting Lender, unless such Issuing Bank or the Swingline Lender, as the case may be, shall have entered into arrangements with the Borrower or such Lender satisfactory to such Issuing Bank and/or the Swingline Lender, as the case may be, to defease any risk in respect of such Lender hereunder. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any of the foregoing clauses, and the effective date of such status, shall be conclusive and binding.

absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each other Lender promptly following such determination.

“Disposed EBITDA” means, with respect to any Sold Entity or Business for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business (determined as if references to the Borrower and the Subsidiaries in the definition of “Consolidated EBITDA” (and in the component definitions used therein) were references to such Sold Entity or Business and its Subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business.

“Disposition” means any sale, transfer or other disposition, or series of related sales, transfers, or dispositions (including pursuant to any merger, amalgamation or consolidation), of property that constitutes (a) assets comprising all or substantially all of a division, business or operating unit or product line of any Person or (b) all or substantially all of the Equity Interests in a Person.

“Disqualified Institutions” means (a) those institutions set forth on Schedule 1.01(a) hereto, (b) any Person who is a competitor of the Borrower and its subsidiaries that are separately identified in writing (including by email) by the Borrower to the Administrative Agent from time to time and (c) any affiliate of any Person described in clauses (a) and (b) above (other than bona fide debt fund affiliates that have not themselves been identified in accordance with clause (a) above) that are either (1) identified in writing by you from time to time or (2) clearly identifiable as affiliates solely on the basis of such affiliate’s name. It is understood and agreed that (i) the foregoing provisions shall not apply retroactively to any person if such Person shall have previously acquired an assignment or participation interest (or shall have previously entered into a trade therefor) prior thereto, but shall disqualify such Person from taking any further assignment or participation thereafter, (ii) each written supplement shall become effective two (2) Business Days after delivery thereof to the Administrative Agent and (iii) the Administrative Agent, upon prior request of any potential assignee or participant, may confirm, on a confidential basis, if a specified Person is on the list.

“Disqualified Stock” means, with respect to any Person, any Equity Interest of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is puttable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Equity Interest which is not Disqualified Stock and cash in lieu of fractional shares) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (in each case, other than solely as a result of a change of control, asset sale or similar events), in whole or in part, in each case prior to the date that is 91 days after the date set forth in the definition of Maturity Date; provided, however, that if such Equity Interest is issued to any plan for the benefit of employees, officers, directors, managers or consultants of any direct or indirect parent thereof, the Borrower or its Subsidiaries or by any such plan to such employees, officers, directors, managers or consultants, such Equity Interest shall not constitute Disqualified Stock solely because it may be required to be repurchased in order to satisfy applicable statutory or regulatory obligations or as a result of the termination, death or disability of such officers, directors, managers or consultants.

“Diverse Supplier Fee Adjustment Amount” means, with respect to any period between Sustainability Pricing Adjustment Dates, (a) positive 0.005%, if the Diverse Supplier Spend Percentage as set forth in the applicable KPI Metrics Certificate is less than the Diverse Supplier Spend Percentage Threshold, (b) 0.000%, if the Diverse Supplier Spend Percentage as set forth in the applicable KPI Metrics Certificate is more than or equal to the Diverse Supplier Spend Percentage Threshold but less than the Diverse Supplier Spend Percentage Target, and (c) negative 0.005%, if the Diverse Supplier

Spend Percentage as set forth in the applicable KPI Metrics Certificate is more than or equal to the Diverse Supplier Spend Percentage Target.

“Diverse Supplier Margin Adjustment Amount” means, with respect to any period between Sustainability Pricing Adjustment Dates, (a) positive 0.025%, if the Diverse Supplier Spend Percentage as set forth in the applicable KPI Metrics Certificate is less than the Diverse Supplier Spend Percentage Threshold, (b) 0.000%, if the Diverse Supplier Spend Percentage as set forth in the applicable KPI Metrics Certificate is more than or equal to the Diverse Supplier Spend Percentage Threshold but less than the Diverse Supplier Spend Percentage Target, and (c) negative 0.025%, if the Diverse Supplier Spend Percentage as set forth in the applicable KPI Metrics Certificate is more than or equal to the Diverse Supplier Spend Percentage Target.

“Diverse Supplier Spend Percentage” means, with respect to any fiscal year, the percentage of Borrower’s addressable U.S. spend that goes to Diverse Suppliers (as defined in Schedule 1.13).

“Diverse Supplier Spend Percentage Target” means, with respect to any fiscal year, the amount set forth in Schedule 1.13.

“Diverse Supplier Spend Percentage Threshold” means, with respect to any fiscal year, the amount set forth in Schedule 1.13.

“Documentation Agents” means Bank of the West, HSBC Bank USA, N.A., Royal Bank of Canada, Santander Bank, N.A. and Standard Chartered Bank, each in their capacities as documentation agents for the Revolving Facility.

“Dollar Equivalent” means, for any amount, at the time of determination thereof, (a) if such amount is expressed in dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in dollars determined by using the rate of exchange for the purchase of dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent) by Reuters on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of dollars with the Alternative Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters as agreed upon by the Administrative Agent and the Borrower (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in dollars as mutually determined by the Administrative Agent and the Borrower) and (c) if such amount is denominated in any other currency, the equivalent of such amount in dollars as determined by the Administrative Agent using procedures similar to clause (b) above or otherwise using any method of determination mutually determined by the Administrative Agent and the Borrower.

“dollars” or “¥” refers to lawful money of the United States of America.

“Domestic Subsidiaries” means, with respect to any Person, any subsidiary of such Person other than a Foreign Subsidiary.

“DQ List” has the meaning assigned to such term in Section 9.04(e)(iv).

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of any Person described in clause (a) above, or (c)

any entity established in an EEA Member Country that is a subsidiary of any Person described in clause (a) or (b) above and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Effective Date Refinancing” means the refinancing of the Existing Revolving Credit Agreement, including the repayment of all amounts outstanding thereunder, the termination of all related commitments and the termination and release of all related security interests.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) any other Person, other than, in each case, a natural person, a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof, a Disqualified Institution, a Defaulting Lender, the Borrower or any Subsidiary or other Affiliate of the Borrower.

“Engagement Letter” means the Engagement Letter, dated September 29, 2022 (as amended from time to time), between the Borrower and Morgan Stanley.

“Environmental Laws” means all rules, regulations, codes, ordinances, judgments, orders, decrees, directives, laws, injunctions or binding agreements issued, promulgated or entered into by or with any Governmental Authority and relating in any way to protection of the environment, to preservation or reclamation of natural resources, to the management, generation, use, handling, transportation, storage, treatment, disposal, Release or threatened Release or the classification, registration, disclosure or import of, or exposure to, any toxic or hazardous materials, substance or waste or to related health or safety matters.

“Environmental Liability” means any liability, obligation, loss, claim, action, order or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties and indemnities), directly or indirectly resulting from or based upon (a) any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Material, (c) any exposure to any Hazardous Material, (d) the Release or threatened Release of any Hazardous Material or (e) any contract or agreement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests, beneficial interests or other ownership interests, whether voting or nonvoting, in, or interests in the income or profits of, a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing (other than, prior to the date of conversion, Indebtedness that is convertible into any such Equity Interests).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower or any Subsidiary, is treated as a single employer under Section 414(b) or 414(c) of the Code or Section 4001(a)(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) or 414(o) of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) any failure by any Plan to satisfy the “minimum funding standard” (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, in each case whether or not waived, (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) a determination that any Plan is, or is expected to be, in “at-risk” status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code), (e) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (f) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (g) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal (including under Section 4062(e) of ERISA) of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan, or (h) the receipt by the Borrower or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from the Borrower or any of its ERISA Affiliates of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA or in endangered or critical status, within the meaning of Section 305 of ERISA.

“ESTR” means, with respect to any Business Day, a rate per annum equal to the Euro Short Term Rate for such Business Day published by the ESTR Administrator on the ESTR Administrator’s Website.

“ESTR Administrator” means the European Central Bank (or any successor administrator of the Euro Short Term Rate).

“ESTR Administrator’s Website” means the European Central Bank’s website, currently at <http://www.ecb.europa.eu>, or any successor source for the Euro Short Term Rate identified as such by the ESTR Administrator from time to time.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euro and for any Interest Period, the EURIBOR Screen Rate, two TARGET Days prior to the commencement of such Interest Period.

“EURIBOR Screen Rate” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as published at approximately 11:00 a.m. Brussels time

two TARGET Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate.

“Euro” or “€” means the single currency of the Participating Member States.

“Events of Default” has the meaning set forth in Section 7.01.

“Exchange Act” means the United States Securities Exchange Act of 1934.

“Excluded Earnout” means any obligations of the Borrower or any Subsidiary to pay additional consideration in connection with any Acquisition, if such additional consideration is payable (i) in capital stock or other Equity Interests, (ii) in cash or (iii) any combination of the foregoing.

“Excluded Subsidiary” means (a) any subsidiary that is not a wholly-owned Subsidiary, (b) any Immaterial Subsidiary, (c) any subsidiary that is prohibited by applicable law or contractual obligations from guaranteeing the Obligations, (d) (i) any direct or indirect Domestic Subsidiary of a CFC or (ii) any FSHCO, (e) any captive insurance subsidiary, (f) any not-for-profit subsidiary, (g) any other subsidiary with respect to which in the reasonable judgment of the Administrative Agent and the Borrower, the cost or other consequences of providing a guarantee of the Obligations shall be excessive in view of the benefits to be obtained by the Lenders therefrom (it being agreed that the cost and other consequences of a Foreign Subsidiary providing a guarantee are excessive in view of the benefits except as elected (and solely as so elected) by the Borrower pursuant to Section 5.10), (i) any Receivables Subsidiary and (j) any subsidiary that is a special purpose entity.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of any Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Recipient with respect to an applicable interest in a Loan pursuant to a law in effect on the date on which (i) such Lender acquires the applicable interest in the applicable Commitment to which such Loan relates (other than pursuant to an assignment request by the Borrower under Section 2.16) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor, if any, immediately before such Lender acquired such applicable interest in the applicable Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.14(f), (d) any Taxes imposed under FATCA and (e) any U.S. federal backup withholding taxes.

“Existing Letters of Credit” has the meaning set forth in Section 2.20.

“Existing Revolving Credit Agreement” means that certain Credit and Guarantee Agreement, dated as of November 19, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time), by and among the Borrower, the other parties thereto from time to time as a borrower or guarantor, the lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, and the other parties from time to time party thereto.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations thereunder or official interpretations thereof, any

agreements entered into pursuant to current Section 1471(b) of the Code (or any amended or successor version described above), any intergovernmental agreement (and related legislation, rules or other official administrative guidance) implementing the foregoing.

“Federal Funds Effective Rate” means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; *provided* that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Finance Lease” means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a finance lease on the balance sheet of that Person; *provided*, that for the avoidance of doubt, “Finance Lease” shall not include obligations or liabilities of any Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations would be required to be classified and accounted for as an operating lease under GAAP as in effect on December 31, 2015.

“Financial Officer” means, with respect to any Person, the chief executive officer, chief financial officer, principal accounting officer, vice president-treasury, treasurer or controller of such Person.

“Fixed Charge Coverage Ratio” on any date, the ratio of (a) Consolidated EBITDA for the period of four consecutive fiscal quarters of the Borrower most recently ended on or prior to such date (b) Fixed Charges for the period of four consecutive fiscal quarters of the Borrower most recently ended on or prior to such date.

“Fixed Charges” means, with respect to any Person for any period, the sum, without duplication,
of:

(a) Consolidated Interest Expense of such Person and Subsidiaries for such period; plus

(b) all cash dividends or other distributions paid to any Person other than such Person or any such Subsidiary (excluding items eliminated in consolidation) on any series of Preferred Stock of the Borrower or a Subsidiary during such period; plus

(c) all cash dividends or other distributions paid to any Person other than such Person or any such Subsidiary (excluding items eliminated in consolidation) on any series of Disqualified Stock of the Borrower or a Subsidiary during such period.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to each Term Benchmark, each Adjusted Daily Simple RFR or the Central Bank Rate, as applicable. For the avoidance of doubt the initial Floor for each Term Benchmark, each Adjusted Daily Simple RFR, each Daily Simple RFR and each Central Bank Rate, shall be zero.

“Foreign Subsidiary” means, with respect to any Person, any subsidiary of such Person that is organized and existing under the laws of any jurisdiction other than the United States of America, any state thereof or the District of Columbia.

“FSHCO” means any Domestic Subsidiary of the Borrower that has no material assets other than the Equity Interests of one or more CFCs.

“GAAP” means, subject to Section 1.04(a), generally accepted accounting principles in the United States of America, applied in accordance with the consistency requirements thereof.

“GHG Emissions” means the total corporate Scope 3 greenhouse gas emissions of the Borrower and its Subsidiaries (measured in metric tons of CO₂e) for any applicable year. Scope 3 corporate greenhouse gas emissions includes the following categories defined by the Greenhouse Gas Protocol, as applied to Borrower: 3.1 Purchased goods and services, 3.2 Capital goods, 3.3 Fuel- and energy-related activities (not included in Scope 1 and Scope 2), 3.5 Waste generated in operations, 3.6 Business travel, 3.7 Employee commuting, and 3.8 Upstream leased assets.

“GHG Emissions Fee Adjustment Amount” means, with respect to any period between Sustainability Pricing Adjustment Dates, (a) positive 0.005%, if the GHG Emissions Intensity as set forth in the applicable KPI Metrics Certificate is more than the GHG Intensity Target and (b) negative 0.005%, if the GHG Emissions Intensity as set forth in the applicable KPI Metrics Certificate is less than or equal to GHG Intensity Target.

“GHG Emissions Intensity” means the quotient of the GHG Emissions for any applicable fiscal year *divided* by GHG Gross Profit for such fiscal year.

“GHG Emissions Margin Adjustment Amount” means, with respect to any period between Sustainability Pricing Adjustment Dates, (a) positive 0.025%, if the GHG Emissions Intensity as set forth in the applicable KPI Metrics Certificate is more than the GHG Intensity Target and (b) negative 0.025%, if the GHG Emissions Intensity as set forth in the applicable KPI Metrics Certificate is less than or equal to the GHG Intensity Target.

“GHG Gross Profit” means, for purposes of calculating Borrower’s GHG Emissions Intensity, Borrower’s revenue minus cost of revenue for the relevant period.

“GHG Intensity Target” means, with respect to any fiscal year, the targets set forth in the Sustainability Table.

“Governmental Approvals” means all authorizations, consents, approvals, permits, licenses and exemptions of, registrations and filings with, and reports to, Governmental Authorities.

“Governmental Authority” means the government of the United States of America or any other nation or any political subdivision of any thereof, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national body exercising such powers or functions, such as the European Union, the Bank of England, the UK Financial Conduct Authority or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor,

direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation; provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount, as of any date of determination, of any Guarantee shall be the principal amount outstanding on such date of the Indebtedness or other obligation guaranteed thereby (or, in the case of (i) any Guarantee the terms of which limit the monetary exposure of the guarantor or (ii) any Guarantee of an obligation that does not have a principal amount, the maximum monetary exposure as of such date of the guarantor under such Guarantee (as determined, in the case of clause (i), pursuant to such terms or, in the case of clause (ii), reasonably and in good faith by the chief financial officer of the Borrower)).

“Guarantor” and “Guarantors” has the meaning set forth in Section 5.10(a).

“Guaranty” and “Guaranties” has the meaning set forth in Section 5.10(a).

“Hazardous Materials” means all explosive, radioactive, hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Hedging Agreement” means any agreement with respect to any swap, forward, future or derivative transaction, or any option or similar agreement, involving, or settled by reference to, one or more rates, currencies, commodities, prices of equity or debt securities or instruments, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value, or any similar transaction or combination of the foregoing transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Hedging Agreement. The amount of the obligations of the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

“Hedging Obligations” means, with respect to any Person, the obligations of such Person under any Hedging Agreement.

“Immaterial Subsidiary” means each of the Subsidiaries of the Borrower for which (a) (i) the assets of such Subsidiary constitute less than 5.0% of the total assets of the Borrower and its Subsidiaries on a consolidated basis and (ii) the Consolidated EBITDA of such Subsidiary accounts for less than 5.0% of the Consolidated EBITDA of the Borrower and its Subsidiaries on a consolidated basis and (b) (i) the assets of all relevant Subsidiaries constitute 15.0% or less than the total assets of the Borrower and its Subsidiaries on a consolidated basis, and (ii) the Consolidated EBITDA of all relevant Subsidiaries accounts for less than 15.0% of the Consolidated EBITDA of the Borrower and its Subsidiaries on a consolidated basis, in each case that has been designated as such by the Borrower in a written notice delivered to the Administrative Agent (or, on the Effective Date, listed on Schedule 1.01(b)) other than any such Subsidiary as to which the Borrower has revoked such designation by written notice to the Administrative Agent. For any determination made as of or prior to the time any Person becomes an indirect or direct Subsidiary of the Borrower, such determination and designation shall be made based on

financial statements provided by or on behalf of such Person in connection with the acquisition of such Person or such Person's assets. The Borrower may change the designation of any Subsidiary as an Immaterial Subsidiary by providing written notice to the Administrative Agent; provided that any Subsidiary of the Borrower formed or acquired after the Closing Date, as applicable, that meets the requirements of an "Immaterial Subsidiary" set forth herein shall be deemed designated as an "Immaterial Subsidiary" unless the Borrower otherwise notifies the Administrative Agent in writing.

"Incremental Amendment" has the meaning assigned to such term in Section 2.21(b).

"Indebtedness" means, as to any Person at a particular time, without duplication, (i) indebtedness for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (ii) that portion of obligations with respect to Finance Leases that is properly classified as a liability on a balance sheet in conformity with GAAP (excluding, for the avoidance of doubt, lease payments under operating leases); (iii) any obligation owed for all or any part of the deferred purchase price of property or services, including earn-outs earned but past due (excluding trade or similar payables, accrued income taxes, VAT, deferred taxes, sales taxes, equity taxes and accrued liabilities incurred in the ordinary course of such Person's business and excluding Excluded Earnouts); (iv) the undrawn face amount of any letter of credit, bankers' acceptances, bank guarantees, surety bonds, performance bonds, and similar instruments issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (v) Disqualified Stock; (vi) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the Indebtedness of another; (vii) any obligation of such Person in respect of the Indebtedness described in clauses (i) through (vi) hereof the primary purpose or intent of which is to provide assurance to an obligee that the Indebtedness of the primary obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; (viii) any liability of such Person for the Indebtedness of another in respect of the Indebtedness described in clauses (i) through (vi) hereof through any agreement (contingent or otherwise) (a) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (b) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (a) or (b) of this clause (viii), the primary purpose or intent thereof is as described in clause (vii) above; (ix) net obligations of such Person under any Swap Contract; and (x) Indebtedness of the type referred to in clauses (i) through (ix) above secured by a Lien on any property or asset owned or held by that Person regardless of whether the Indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; *provided*, the amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date; *provided, further* that the following shall not constitute Indebtedness: (i) any right of use liabilities recorded in accordance with Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), (ii) liabilities recorded under GAAP related to lease accounting (ASC 840) (other than in respect of finance leases), (iii) any liabilities reflected on the books and records of the Borrower and its Subsidiaries to the extent constituting amounts that are owed to hosts so long as the related assets reside on such books and records and (iv) any liabilities resulting from equity awards accounted for as a liability.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower or any Guarantor under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning set forth in Section 9.03(b).

“Intangible Assets” means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05, which shall be, in the case of any such written request, substantially in the form of Exhibit D or any other form approved by the Administrative Agent.

“Interest Payment Date” means (a) with respect to any ABR Loan (other than a Swingline Loan), the last Business Day of each March, June, September and December, (b) with respect to any RFR Loan (other than a Swingline Loan), (1) each date that is on the numerically corresponding day in each calendar month that is one month (or, at the election of the Borrower solely with respect to a RFR Loan denominated in Sterling, three months) after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (2) the Maturity Date, (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period, and the Maturity Date and (d) with respect to any Swingline Loan, the day that such Loan is required to be repaid and the Maturity Date.

“Interest Period” means, with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability thereof), as the Borrower may elect; provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (c) no Interest Period shall extend beyond the Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment Grade Rating” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P.

“Issuing Bank” means (i) with respect to the Existing Letters of Credit, Morgan Stanley and Bank of America, N.A. and (ii) with respect to other Letters of Credit issued under this Agreement, each of Morgan Stanley, Bank of America, N.A., Goldman Sachs Lending Partners LLC, Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A., Mizuho Bank, Ltd., Bank of the West, HSBC Bank USA, N.A., Royal Bank of Canada, Santander Bank, N.A., Standard Chartered Bank and each other Lender so designated by the Borrower with such Lender’s consent and with prior written notice to the Administrative Agent, in its capacity as the issuer of Letters of Credit hereunder, and any of their successors in such capacity as provided in Section 2.20(i)(i). Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. No Issuing Bank shall be required to issue any Letters of Credit other than standby Letters of Credit.

“Issuing Bank Individual Sublimit” means, (i) for each of the Issuing Banks party hereto (A) on the Effective Date through and including the date that is two years following the Effective Date, the amount set forth in the schedule below next to such Issuing Bank’s name under the heading “Initial Issuing Bank Individual Sublimit” and (B) thereafter, the amount set forth in the schedule below next to such Issuing Bank’s name under the heading “Issuing Bank Individual Sublimit”, (ii) for each Issuing Bank that replaces a previous Issuing Bank pursuant to Section 2.20(i)(i), the Issuing Bank Individual Sublimit of the replaced Issuing Bank that was in effect immediately prior to the replacement and (iii) for each additional Issuing Bank added pursuant to Section 2.20(i)(ii), an amount agreed among the Borrower, the Administrative Agent and such additional Issuing Bank, with the Issuing Bank Individual Sublimit or Issuing Bank Individual Sublimits of one or more other Issuing Banks being reduced (with the consent of such Issuing Bank or Issuing Banks) to the extent necessary to maintain compliance with the following proviso; provided that the sum of all Issuing Bank Individual Sublimits shall equal \$200,000,000.

<u>Issuing Bank</u>	<u>Initial Issuing Bank Individual Sublimit</u>	<u>Issuing Bank Individual Sublimit</u>
Morgan Stanley Senior Funding, Inc.	\$19,000,000	\$23,000,000
Bank of America, N.A.	\$27,000,000	\$23,000,000
Goldman Sachs Lending Partners LLC	\$23,000,000	\$23,000,000
Barclays Bank PLC	\$16,500,000	\$16,500,000
Citibank, N.A.	\$16,500,000	\$16,500,000
JPMorgan Chase Bank, N.A.	\$16,500,000	\$16,500,000
Mizuho Bank, Ltd.	\$16,500,000	\$16,500,000
Bank of the West	\$13,000,000	\$13,000,000
HSBC Bank USA, N.A.	\$13,000,000	\$13,000,000
Royal Bank of Canada	\$13,000,000	\$13,000,000
Santander Bank, N.A.	\$13,000,000	\$13,000,000
Standard Chartered Bank	\$13,000,000	\$13,000,000
Total	\$200,000,000	\$200,000,000

“Issuing Bank Issued Amount” means, with respect to each Issuing Bank, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time issued by such Issuing Bank *plus* (b) the aggregate amount of all LC Disbursements made by such Issuing Bank that have not yet been reimbursed by or on behalf of the Borrower at such time.

“Judgment Currency” has the meaning set forth in Section 9.21.

“KPI Metric” means each of the GHG Emissions Intensity and the Diverse Supplier Spend Percentage.

“KPI Metrics Auditor” means a nationally recognized auditing firm designated by the Borrower and reasonably acceptable to the Administrative Agent.

“KPI Metrics Certificate” means an annual certificate delivered to the Administrative Agent attached to the Pricing Certificate for the fiscal year then most recently ended prepared by or on behalf of the Borrower and including the KPI Metrics for such fiscal year in reasonable detail pursuant to standards and/or methodology that (a) are consistent with then generally accepted industry standards or (b) if not so consistent, are proposed by the Borrower and approved by the Required Lenders.

“LC Collateral Account” has the meaning assigned to such term in Section 2.20(j).

“LC Disbursement” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time) or Rule 3.13 or Rule 3.14 of the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time) or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be “outstanding” and “undrawn” in the amount so remaining available to be paid, and the obligations of the Borrower and each Lender shall remain in full force and effect until the Issuing Bank and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit (unless cash collateralized, backstopped or rolled into another facility on terms reasonably acceptable to the applicable Issuing Bank and the Administrative Agent). Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

“Lender-Related Person” has the meaning assigned to it in Section 9.03(d).

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than such Person that shall have ceased to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” shall include the Swingline Lender.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement (including, in the case of any Existing Letter of Credit, deemed to be issued hereunder).

“Leverage Ratio” means, on any date, the ratio of (a) Consolidated Total Indebtedness as of such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of the Borrower most recently ended on or prior to such date.

“Liabilities” means any actual losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, charge, security interest or other encumbrance on, in or of such asset, and (b) the interest of a vendor or a lessor under any conditional sale agreement or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset; provided that in no event shall an operating lease or occupancy agreement be deemed to constitute a Lien.

“Loan Documents” means this Agreement, the Assumption Agreement (if any), the Guaranties (if any), any Letter of Credit and Letter of Credit Application, and, except for purposes of Section 9.02, any promissory notes delivered pursuant to Section 2.07(c).

“Loan Modification Agreement” means a Loan Modification Agreement in form and substance reasonably satisfactory to the Administrative Agent and the Borrower, among the Borrower, one or more Accepting Lenders and the Administrative Agent.

“Loan Modification Offer” has the meaning specified in Section 2.18(a).

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement, including Swingline Loans.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, liabilities, operations, results of operations or financial condition of the Borrower and the Subsidiaries, taken as a whole, or (b) the material rights of or remedies available to the Lenders under the Loan Documents, taken as a whole.

“Material Indebtedness” means Indebtedness (other than under the Loan Documents), or obligations in respect of one or more Hedging Agreements, of any one or more of the Borrower and the Subsidiaries in an aggregate outstanding principal amount of \$250,000,000 or more. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Hedging Agreement were terminated at such time.

“Material Subsidiary” means any Subsidiary that would constitute a “significant subsidiary” under Rule 1-02(w) of Regulation S-X under the Securities Act, as amended.

“Maturity Date” means October 31, 2027.

“Maximum Rate” has the meaning set forth in Section 9.13.

“MNPI” means material information concerning the Borrower, any Subsidiary or any Controlled Affiliate of any of the foregoing, or any of their securities, that has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the Securities Act and the Exchange Act. For purposes of this definition, “material information” means information concerning the Borrower, the Subsidiaries or any Controlled Affiliate of any of the foregoing, or any of

their securities, that could reasonably be expected to be material for purposes of the United States federal and state securities laws.

“Moody’s” means Moody’s Investors Service, Inc., or any successor to the rating agency business thereof.

“Morgan Stanley” means Morgan Stanley Senior Funding, Inc. and its successors.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Non-Accepting Lender” has the meaning specified in Section 2.18(a).

“Non-Consenting Lender” has the meaning specified in Section 9.02(c)(iii).

“Non-Guarantor Indebtedness” means any Indebtedness of a Subsidiary that is not a Guarantor.

“Notice of Loan Prepayment” means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit G or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; *provided, further*, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Obligations” means (a) the due and punctual payment by the Borrower of the principal of and premium, if any, and interest (including interest accruing, at the rate specified herein, during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on all Loans and all LC Exposure when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (b) the due and punctual payment or performance by the Borrower of all other monetary obligations under this Agreement, any other Loan Document or Letter of Credit, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations accruing, at the rate specified herein or therein, or incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding).

“OFAC” means the United States Treasury Department Office of Foreign Assets Control.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction (or political subdivisions thereof) imposing such Tax (other than connections arising from such Recipient having executed,

delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.16).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in dollars, the NYFRB Rate, (b) with respect to any amount denominated in Euros, Daily Simple ESTR, (c) with respect to any amount denominated in Sterling, Daily Simple RFR and (d) with respect to any amount denominated in any other Alternative Currency, an overnight rate determined by the Administrative Agent or the Issuing Banks, as the case may be, in accordance with banking industry rules on interbank compensation.

“Participant Register” has the meaning set forth in Section 9.04(c)(ii).

“Participants” has the meaning set forth in Section 9.04(c)(i).

“Participating Member State” means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Payment” has the meaning set forth in Article VIII.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Periodic Term SOFR Determination Day” has the meaning assigned to it under the definition of Term SOFR Reference Rate.

“Permitted Amendment” has the meaning specified in Section 2.18(c).

“Permitted Liens” means:

- (a) Liens imposed by law for Taxes that are not required to be paid in accordance with Section 5.04;
- (b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law (other than any Lien imposed pursuant to Section 430(k) of the Code or Section 303(k) or 4068 of ERISA or a violation of Section 436 of the Code), arising in the ordinary course of business;

(c) Liens made (i) in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws (other than any Lien imposed pursuant to Section 430(k) of the Code or Section 303(k) or 4068 of ERISA or a violation of Section 436 of the Code) and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of the Borrower or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (i) above;

(d) Liens made (i) to secure the performance of bids, trade contracts (other than for payment of Indebtedness), leases (other than Capital Lease Obligations), statutory obligations (other than any Lien imposed pursuant to Section 430(k) of the Code or Section 303(k) or 4068 of ERISA or a violation of Section 436 of the Code), surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of the Borrower or any Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (i) above;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Section 7.01;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower and the Subsidiaries, taken as a whole;

(g) banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with securities intermediaries; provided that such deposit accounts or funds and securities accounts or other financial assets are not established or deposited for the purpose of providing collateral for any Indebtedness and are not subject to restrictions on access by the Borrower or any Subsidiary in excess of those required by applicable banking regulations;

(h) Liens arising by virtue of Uniform Commercial Code financing statement filings (or similar filings under applicable law) regarding operating leases entered into by the Borrower and the Subsidiaries in the ordinary course of business;

(i) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property (including any intellectual property) subject to any lease (other than Capital Lease Obligations), license or sublicense or concession agreement in the ordinary course of business;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(k) Liens on specific items of inventory or other goods and proceeds thereof of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

a. deposits of cash with the owner or lessor of premises leased and operated by the Borrower or any Subsidiary to secure the performance of its obligations under the lease for such premises, in each case in the ordinary course of business;

b. Liens on cash and cash equivalents deposited with a trustee or a similar Person to defease or to satisfy and discharge any Indebtedness, provided that such defeasance or satisfaction and discharge is permitted hereunder;

c. Liens that are contractual rights of set-off, including (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Borrower or any of its Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and its Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any of its Subsidiaries in the ordinary course of business;

d. Liens on cash deposits of the Borrower and Foreign Subsidiaries subject to a Cash Pooling Arrangement or otherwise over bank accounts of the Borrower and Foreign Subsidiaries maintained as part of the Cash Pooling Arrangement, in each case securing liabilities for overdrafts of the Borrower and Foreign Subsidiaries participating in such Cash Pooling Arrangements;

e. Liens arising out of consignment or similar arrangements for the sale of goods entered into by the Borrower or any Subsidiary in the ordinary course of business;

f. pledges or deposits made in the ordinary course of business to secure liability to insurance carriers and Liens on insurance policies and the proceeds thereof (whether accrued or not), rights or claims against an insurer or other similar asset securing insurance premium financings; and

g. Liens on property subject to Sale/Lesback Transactions permitted hereunder and general intangibles related thereto;

provided that the term "Permitted Liens" shall not include any Lien securing Indebtedness, other than Liens referred to clauses (c), (d), (e), (k) or (m) above securing letters of credit, bank guarantees or similar instruments.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any "employee pension benefit plan," as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), that is subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any of its ERISA Affiliates is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform" has the meaning set forth in Section 9.01(d).

"Preferred Stock" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

Pricing Certificate means a certificate substantially in the form of Exhibit I executed by a Responsible Officer of the Borrower and (a) attaching the KPI Metrics Certificate for the most recently ended fiscal year and setting forth the Sustainability Margin Adjustment and the Sustainability Fee Adjustment for the period covered thereby and computations in reasonable detail in respect thereof and (b) solely with respect to the GHG Emissions Intensity only, a report of the KPI Metrics Auditor confirming that the KPI Metrics Auditor is not aware of any material modifications that should be made to Borrower's GHG Emissions in order for them to be fairly stated.

Prime Rate means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

Private Side Lender Representatives means, with respect to any Lender, representatives of such Lender that are not Public Side Lender Representatives.

Pro Rata Percentage means, with respect to any Lender, with respect to Loans, LC Exposure or Swingline Exposure, a percentage equal to a fraction the numerator of which is such Lender's Revolving Commitment and the denominator of which is the aggregate Revolving Commitments of all Lenders (if the Revolving Commitments have terminated or expired, the Pro Rata Percentages shall be determined based upon such Lender's share of the aggregate Revolving Exposure at that time).

PTE means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

Public Side Lender Representatives means, with respect to any Lender, representatives of such Lender that do not wish to receive MNPI.

Qualified Acquisition means any Acquisition or other investment that involves cash consideration (it being understood, for the avoidance of doubt, that proceeds from an equity offering shall not constitute cash consideration) of at least \$750,000,000 and causes the pro forma Leverage Ratio to be greater than the Leverage Ratio immediately prior to giving effect to such Acquisition or other investment.

Rating Agencies means S&P and Moody's.

Real Estate Asset means an interest in any real property.

Receivables Facility means any of one or more receivables financing facilities as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Borrower or any of its Subsidiaries (other than a Receivables Subsidiary) pursuant to which any Subsidiary sells its accounts receivable to either (A) a Person that is not a Subsidiary or (B) a Receivables Subsidiary that in turn sells its accounts receivable to a Person that is not a Subsidiary.

Receivables Subsidiary means any subsidiary formed for the purpose of, and that solely engages only in one or more Receivables Facilities and other activities reasonably related thereto.

“Recipient” means the Administrative Agent or any Lender as applicable.

“Register” has the meaning set forth in Section 9.04(b)(iv).

“Related Indemnitee Parties” means, with respect to any specified Person, (a) any controlling Person or controlled Affiliate of such Person, (b) the respective directors, officers or employees of such Person or any of its controlling Persons or controlled Affiliates, and (c) the respective agents of such Person or any of its controlling Persons or controlled Affiliates, in the case of this clause (c), acting at the instructions of such Person, controlling person or such controlled Affiliate.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the directors, officers, partners, members, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and of such Person’s Affiliates.

“Release” means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment or within or upon any building, structure, facility or fixture.

“Relevant Governmental Body” means (i) with respect to a Benchmark Replacement in respect of Loans denominated in dollars, the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in Euros, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, and (iv) with respect to a Benchmark Replacement in respect of Loans denominated in any other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

“Relevant Rate” means (i) with respect to any Term Benchmark Borrowing denominated in dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the Adjusted EURIBOR Rate, (iii) with respect to any Term Benchmark Borrowing denominated in Australian Dollars, the BBSY Rate, (iv) with respect to any Term Benchmark Borrowing denominated in Yen, the TIBOR Rate, (v) with respect to any RFR Borrowing denominated in Sterling, the applicable Adjusted Daily Simple RFR or (vi) with respect to any RFR Borrowing denominated in Singapore Dollars, the applicable Daily Simple RFR, as applicable.

“Required Lenders” means, at any time, Lenders (other than Defaulting Lenders) having Revolving Exposures and unused Revolving Commitments representing more than 50% of the sum of the Aggregate Revolving Exposure and the aggregate amount of the unused Revolving Commitments at such time.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means, with respect to any Person, the Financial Officer or any executive vice president, senior vice president, vice president, secretary or assistant secretary of such Person and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement and, as to any document delivered on the Effective Date, any secretary or assistant secretary of such Person.

“Revaluation Date” means (a) with respect to any Loan denominated in any Alternative Currency, each of the following: (i) the date of the Borrowing of such Loan and (ii) each date of a conversion into or continuation of such Loan pursuant to the terms of this Agreement; (b) with respect to any Letter of Credit denominated in an Alternative Currency, each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar quarter and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof; and (c) any additional date as the Administrative Agent may reasonably determine at any time when an Event of Default exists.

“Revolving Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments.

“Revolving Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make Loans, to acquire participations in Letters of Credit and Swingline Loans hereunder in each case with respect to the Borrower, expressed as an amount representing the maximum aggregate permitted amount of such Lender’s Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06, (b) increased from time to time pursuant to Section 2.21 or (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Revolving Commitment is set forth in Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders’ Revolving Commitments is \$1,000,000,000.

“Revolving Commitment Fee” has the meaning set forth in Section 2.09(a).

“Revolving Commitment Increase” has the meaning assigned to such term in Section 2.21(a).

“Revolving Commitment Increase Closing Date” has the meaning assigned to such term in Section 2.21(b).

“Revolving Exposure” means, with respect to any Lender at any time, the aggregate outstanding principal amount of such Lender’s Loans, its LC Exposure and its Swingline Exposure.

“Revolving Facility” means the revolving credit, swingline and letter of credit, in each case contemplated by Article II and the incremental facilities, if any, contemplated by Section 2.21.

“RFR” means, for any RFR Loan denominated in (a) Sterling, SONIA, (b) euros, ESTR, (c) dollars, Daily Simple SOFR and (d) Singapore Dollars, SORA.

“RFR Borrowing” means, as to any Borrowing, the RFR Loans comprising such Borrowing.

“RFR Business Day” means, for any Loan denominated in (a) Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London, (b) euros, any day that is a TARGET Day, except for a (i) Saturday or (ii) a Sunday, (c) dollars, a U.S. Government

Securities Business Day and (d) Singapore Dollars, a day on which banks are open for settlement of payments and foreign exchange transactions in Singapore.

“RFR Interest Day” has the meaning specified in the definition of “Daily Simple RFR”.

“RFR Loan” means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR or Daily Simple RFR, as applicable.

“S&P” means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business, or any successor to its rating agency business.

“Sale/Lesabck Transaction” means an arrangement relating to property owned by the Borrower or any Subsidiary whereby the Borrower or such Subsidiary sells or transfers such property to any Person and the Borrower or any Subsidiary leases such property from such Person or its Affiliates.

“Sanctioned Country” means, at any time, a country, region or territory that is itself the subject or target of any Sanctions (at the date of this Agreement, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State or by the United Nations Security Council, the European Union, any European Union member state, HM Treasury of the United Kingdom, or any other relevant sanctions authority, (b) any Person located, organized or resident in a Sanctioned Country, (c) any Person 50% or more owned or controlled by any Person or Persons described in the preceding clauses (a) and (b), or (d) any Person otherwise the subject of any Sanctions.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or HM Treasury of the United Kingdom, or any other relevant sanctions authority.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933.

“Similar Business” means any business and any services, activities or businesses directly related or similar to, or incidental, corollary, synergistic or complementary to any line of business engaged in by the Borrower and its subsidiaries on the Effective Date or any business activity that is a reasonable extension, development or expansion thereof or ancillary thereto.

“Senior Unsecured Rating” means, with respect to any Rating Agency as of any date of determination, (a) the rating by such Rating Agency of the senior unsecured long-term indebtedness of the Borrower or (b) if, and only if, such Rating Agency shall not have in effect the rating referred to in clause (a), the Borrower’s “corporate credit” (however denominated) rating assigned by such Rating Agency.

“Singapore Dollars” means lawful money of the Republic of Singapore.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Determination Date” has the meaning specified in the definition of “Daily Simple SOFR”.

“SOFR Loan” means a Loan that bears interest at a rate based on the Adjusted Term SOFR Rate.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“Sold Entity or Business” has the meaning specified in the definition of “Consolidated EBITDA”.

“SONIA” means, with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator’s Website on the immediately succeeding Business Day.

“SONIA Administrator” means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website” means the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“SORA” means a rate equal to the Singapore Overnight Rate Average as administered by the SORA Administrator, as administrator of the benchmark, on the SORA Administrator’s Website; *provided that* if SORA as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“SORA Administrator” means the Monetary Authority of Singapore (or any successor administrator of the Singapore Overnight Rate Average).

“SORA Administrator’s Website” means the Monetary Authority of Singapore’s website, currently at <https://eservices.mas.gov.sg>, or any successor website for the Singapore Overnight Rate Average officially designated as such by the SORA Administrator from time to time (or as published by its authorized distributors).

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves), expressed as a decimal, established by the Board of Governors for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board of Governors). Such reserve percentages shall include those imposed pursuant to such Regulation D. Term Benchmark Loans for which the associated Benchmark is adjusted by reference to the Statutory Reserve Rate (per the related definition of such Benchmark) shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve

Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling” means the lawful currency of the United Kingdom.

“subsidiary” means, with respect to any Person (the “parent”) at any date, (a) any Person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date and (b) any other Person (i) of which Equity Interests representing more than 50% of the equity value or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (ii) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Borrower.

“Sustainability Fee Adjustment” with respect to any period between Sustainability Pricing Adjustment Dates, an amount (whether positive, negative or zero), expressed as a percentage, equal to the sum of (a) the GHG Emissions Fee Adjustment Amount plus (b) the Diverse Supplier Fee Adjustment Amount, in each case for such period.

“Sustainability Margin Adjustment” with respect to any period between Sustainability Pricing Adjustment Dates, an amount (whether positive, negative or zero), expressed as a percentage, equal to the sum of (a) the GHG Emissions Margin Adjustment Amount plus (b) the Diverse Supplier Margin Adjustment Amount, in each case for such period.

“Sustainability Pricing Adjustment Date” has the meaning specified in Section 1.13.

“Sustainability Table” means the Sustainability Table set forth on Schedule 1.13.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any similar master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations

provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swingline Exposure” means, at any time, the sum of the aggregate of all outstanding Swingline Loans. The Swingline Exposure of any Lender at any time shall be its Pro Rate Percentage of the aggregate Swingline Exposure.

“Swingline Lender” means Morgan Stanley Senior Funding, Inc., in its capacity as lender of Swingline Loans hereunder.

“Swingline Loan” means a Loan made pursuant to Section 2.19.

“Syndication Agents” mean Morgan Stanley, Bank of America, N.A., Goldman Sachs Lending Partners LLC, Barclays Bank PLC, Citibank, N.A., JPMorgan Chase Bank, N.A. and Mizuho Bank, Ltd., each in its capacity as syndication agent for the Revolving Facility.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax and penalties applicable thereto.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Term Benchmark” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted EURIBOR Rate, the Adjusted Term SOFR Rate, the BBSY Rate or the TIBOR Rate.

“Term SOFR Rate” means,

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the CME Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then the Term SOFR Rate will be the Term SOFR Reference Rate for such tenor as published by the CME Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the CME Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to an ABR Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “ABR Term SOFR

Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the CME Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any ABR Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then the Term SOFR Rate will be the Term SOFR Reference Rate for such tenor as published by the CME Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the CME Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such ABR SOFR Determination Day.

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Termination Date" means the date upon which all Revolving Commitments have terminated, no Letters of Credit are outstanding (or if Letters of Credit remain outstanding, as to which the Administrative Agent has been furnished a cash deposit or a back up standby letter of credit in accordance with the terms of this Agreement), and the Loans and LC Exposure, together with all interest, fees and other non-contingent Obligations, have been paid in full in cash.

"TIBOR Rate" means the rate per annum equal to the Tokyo Interbank Offer Rate, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) two (2) Business Days prior to the commencement of an Interest Period with a term equivalent to such Interest Period; *provided that* if the TIBOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Total Assets" shall mean total assets of the Borrower and its Subsidiaries on a consolidated basis prepared in accordance with GAAP, shown on the most recent balance sheet (i) the Borrower and its Subsidiaries at such date and (ii) the VIEs at such date; *provided that* the aggregate amount of assets that may be included pursuant to this clause (ii) shall not exceed 10.0% of Total Assets (calculated prior to giving effect to the addition of such amounts) as of the applicable date of determination.

"Transactions" means (a) the execution, delivery and performance by the Borrower of the Loan Documents, the borrowing of the Loans and the use of proceeds thereof, (b) the Effective Date Refinancing, and (c) the payment of fees and expenses in connection with the foregoing.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the BBSY Rate, the TIBOR Rate, the Adjusted Daily Simple RFR, the Daily Simple RFR or the Alternate Base Rate.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York..

"UK Financial Institutions" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“USA PATRIOT Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

“VIE” has the meaning specified in Section 1.12.

“Voting Shares” means, with respect to any Person, outstanding shares of capital stock or other Equity Interests of any class of such Person entitled to vote in the election of directors, or otherwise to participate in the direction of the management and policies, of such Person, excluding shares or other Equity Interests entitled so to vote or participate only upon the happening of some contingency.

“wholly owned”, when used in reference to a subsidiary of any Person, means that all the Equity Interests in such subsidiary (other than directors’ qualifying shares and other nominal amounts of Equity Interests that are required to be held by other Persons under applicable law) are owned, beneficially and of record, by such Person, another wholly owned subsidiary of such Person or any combination thereof.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

“Yen” means lawful money of Japan.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Type (e.g., a “ABR Loan”, “Term Benchmark Loan” or “RFR Loan” or “ABR Borrowing”, “Term Benchmark Borrowing” or “RFR Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be

construed to have the same meaning and effect as the word "shall". The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real and personal, tangible and intangible assets and properties. The word "law" shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders, writs and decrees, of all Governmental Authorities. All references to "in the ordinary course of business" of the Borrower or any Subsidiary thereof means (i) in the ordinary course of business of, or in furtherance of an objective that is in the ordinary course of business of the Borrower or such Subsidiary, as applicable, (ii) customary and usual in the industry or industries of the Borrower and its Subsidiaries in the United States or any other jurisdiction in which the Borrower or any Subsidiary does business, as applicable, or (iii) generally consistent with the past or current practice of the Borrower or such Subsidiary, as applicable, or any similarly situated businesses of the United States or any other jurisdiction in which the Borrower or any Subsidiary does business, as applicable. With respect to any Default or Event of Default, the words "exists", "is continuing" or similar expressions with respect thereto shall mean that the Default or Event of Default has occurred and has not yet been cured or waived. Except as otherwise provided herein and unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document (including this Agreement and the other Loan Documents) shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified, and all references to any statute shall be construed as referring to all rules, regulations, rulings and official interpretations promulgated or issued thereunder, (c) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

SECTION 1.04. Accounting Terms; GAAP; Pro Forma Calculations.

(a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature used herein shall be construed in accordance with GAAP as in effect from time to time; provided that (i) if the Borrower, by notice to the Administrative Agent, shall request an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent or the Required Lenders, by notice to the Borrower, shall request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and (ii) notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed (other than for purposes of Sections 3.04, 5.01(a) and 5.01(b)), and all computations of amounts and ratios referred to herein shall be made, (A) without giving effect to (x) any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Accounting Standards Codification having a similar result or effect) (and related interpretations) to value any Indebtedness at "fair value", as defined therein, or (y) any other accounting principle that results in any Indebtedness being reflected on a balance sheet at an amount less than the stated principal amount thereof, (B) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards

Codification 470-20 (or any other Accounting Standards Codification having a similar result or effect) (and related interpretations) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof, and (C) without giving effect to any change in accounting for leases resulting from the implementation of Financial Accounting Standards Board ASU No. 2016-02, Leases (Topic 842), to the extent any lease (or similar arrangement conveying the right to use) would be required to be treated as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on December 31, 2015.

(b) All pro forma computations required to be made hereunder giving effect to any transaction shall be calculated after giving pro forma effect thereto (and, in the case of any pro forma computations made hereunder to determine whether such transaction is permitted to be consummated hereunder, to any other such transaction consummated since the first day of the period covered by any component of such pro forma computation and on or prior to the date of such computation) as if such transaction had occurred on the first day of the period of four consecutive fiscal quarters ending with the most recent fiscal quarter for which financial statements shall have been delivered pursuant to Section 5.01(a) or 5.01(b) (or, prior to the delivery of any such financial statements, ending with the last fiscal quarter included in the financial statements referred to in Section 3.04(a)), and, to the extent applicable, to the historical earnings and cash flows associated with the assets acquired or disposed of and any related incurrence or reduction of Indebtedness, all in accordance with Article 11 of Regulation S-X under the Securities Act. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Agreement applicable to such Indebtedness if such Hedging Agreement has a remaining term in excess of 12 months).

(c) Whenever the Borrower elects to give pro forma effect in accordance with Section 1.04(b) above for the implementation of any restructuring, operational initiative, business optimization, operational or technology change or improvement, the pro forma calculations shall be made in good faith by a financial officer of the Borrower and may include, for the avoidance of doubt, the amount of “run- rate” cost savings, operating expense reductions, operating initiatives, other operating improvements and synergies projected by the Borrower in good faith to be realizable as a result of specified actions taken, committed to be taken or expected to be taken in the good faith determination of the Borrower (calculated on a pro forma basis as though such cost savings, operating expense reductions, operating initiatives, other operating improvements and synergies had been realized in full on the first day of such period and as if such cost savings, operating expense reductions, operating initiatives, other operating improvements and synergies were realized in full during the entirety of such period and “run-rate” means the full recurring benefit for a period that is associated with any action taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target’s compliance costs with public company requirements), whether prior to or following the Effective Date, net of the amount of actual benefits realized during such period from such actions, and any such adjustments (herein, the “Pro Forma Adjustments”) shall be included in the initial pro forma calculations of such financial ratios or tests and during any subsequent four quarter period in which the effects thereof are expected to be realizable) relating to such transactions or actions; provided that (a) such amounts are reasonably identifiable and factually supportable, (b) such actions have been taken or substantial steps have been taken or are expected to be taken (in the reasonable and good faith determination of the Borrower and as certified to by the chief executive officer, chief financial officer, treasurer, chief accounting officer or controller of the Borrower in a certificate delivered to the Administrative Agent), within 24 months after the consummation or commencement, as applicable, of any change that is expected to result in such cost savings or synergies, (c) no amounts shall be added to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA (or any other components thereof), whether

through a pro forma adjustment or otherwise, with respect to such period and (d) the aggregate amount of such Pro Forma Adjustments (together with all amounts added back under clause (l) of the definition of Consolidated EBITDA) shall not exceed 15% of Consolidated EBITDA of the Borrower for the period of four consecutive fiscal quarters most recently ended prior to the determination date (calculated after giving effect to any adjustments pursuant to this Section 1.04(c) and clause (l) of the definition of Consolidated EBITDA).

SECTION 1.05. Currency Translation.

(a) All references in the Loan Documents to Loans, Letters of Credit, Obligations, covenant baskets and other amounts shall be denominated in dollars unless expressly provided otherwise. Compliance with all such dollar denominated amounts shall be based on the Dollar Equivalent of any amounts denominated or reported under a Loan Document in a currency other than dollars and shall be determined by the Administrative Agent on any Revaluation Date. Notwithstanding anything herein to the contrary, if any Obligation is funded and expressly denominated in a currency other than dollars, the Borrower shall repay such Obligation (including any interest thereon) in such other currency. All fees payable under Section 2.09 shall be payable in dollars. Notwithstanding anything to the contrary in this Agreement, with respect to the amount of any Indebtedness, Lien, or affiliate transaction, no Default or Event of Default shall be deemed to have occurred solely as a result of any dollar basket being exceeded due to a change in the rate of currency exchange occurring after the time of any such specified transaction so long as such specified transaction was permitted at the time incurred, made, acquired, committed, entered or declared. No Default or Event of Default shall arise as a result of any limitation or threshold set forth in dollars in Section 7.01(f), (g) or (k) being exceeded solely as a result of changes in currency exchange rates from those rates applicable on the last day of the fiscal quarter immediately preceding the fiscal quarter in which such determination occurs or in respect of which such determination is being made.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Term Benchmark Loan or a RFR Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in dollars, but such Borrowing, Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the Dollar Equivalent of such amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the Issuing Bank, as the case may be.

SECTION 1.06. Rounding. The calculation of any financial ratios under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-down if there is no nearest number).

SECTION 1.07. Interest Rates. The interest rate on a Loan denominated in dollars or an Alternative Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.11(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and

its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.08. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.09. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

SECTION 1.10. Timing of Payment and Performance. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be.

SECTION 1.11. Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of such Letter of Credit available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any Letter of Credit Agreement related thereto, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

SECTION 1.12. Consolidation of Variable Interest Entities. All references herein to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case (other than as set forth in the definition of "Total Assets"), be deemed to exclude each variable interest entity ("VIE") that the Borrower is required to consolidate pursuant to Statement of Financial Accounting Standard No. 167 as if such variable interest entity were a Subsidiary as defined herein. For the avoidance of doubt, each VIE shall not constitute a Subsidiary for purposes of this Agreement and, as such, will not be taken into account for any financial calculations, including, without limitation, determining Consolidated EBITDA, Fixed Charges, Consolidated Net Income, Total Assets (other than as set forth in the definition of "Total Assets") and Consolidated Total Indebtedness.

SECTION 1.13. Sustainability Adjustments.

(a) The Borrower may, at its election, deliver a Pricing Certificate to the Administrative Agent in respect of the most recently ended fiscal year, commencing with the fiscal year ended December 31, 2022, on any date prior to the date that is 270 days following the last day of such fiscal year (the

“Initial Delivery Date”); provided that the Pricing Certificate for any fiscal year may be delivered on any date following the Initial Delivery Date that is prior to the date that is 365 days following the last day of the preceding fiscal year, so long as such Pricing Certificate includes a certification that delivery of such Pricing Certificate on or before the Initial Delivery Date was not possible because (i) the information required to calculate the KPI Metrics for such preceding fiscal year was not available at such time or (ii) the report of the KPI Metrics Auditor, if relevant, was not available at such time (the date of the Administrative Agent’s receipt thereof, each a “Pricing Certificate Date”). Upon delivery of a Pricing Certificate in respect of a fiscal year, (i) the Applicable Rate for the Loans incurred by the Borrower shall be increased or decreased (or neither increased nor decreased), as applicable, pursuant to the Sustainability Margin Adjustment as set forth in the KPI Metrics Certificate delivered with such Pricing Certificate, and (ii) the Applicable Rate for the Revolving Commitment Fee shall be increased or decreased (or neither increased or decreased), as applicable, pursuant to the Sustainability Fee Adjustment as set forth in such KPI Metrics Certificate. For purposes of the foregoing, the Sustainability Margin Adjustment and the Sustainability Fee Adjustment shall be determined as of the fifth Business Day following the Pricing Certificate Date for such Pricing Certificate based upon the KPI Metrics for such fiscal year set forth in the KPI Metrics Certificate delivered with such Pricing Certificate and the calculations of the Sustainability Margin Adjustment and the Sustainability Fee Adjustment in such KPI Metrics Certificate (such fifth Business Day, a “Sustainability Pricing Adjustment Date”). Each change in the Applicable Rate on any Sustainability Pricing Adjustment Date shall be effective during the period commencing on and including such Sustainability Pricing Adjustment Date and ending on the date immediately preceding the next Sustainability Pricing Adjustment Date.

(b) For the avoidance of doubt, only one Pricing Certificate may be delivered in respect of any fiscal year. It is further understood and agreed that the Applicable Rate for Loans incurred by the Borrower will never be reduced or increased by more than 0.050% and that the Applicable Rate for the Revolving Commitment Fee will never be reduced or increased by more than 0.010%, pursuant to the Sustainability Margin Adjustment and the Sustainability Fee Adjustment, respectively, on any Sustainability Pricing Adjustment Date. For the avoidance of doubt, any adjustment to the Applicable Rate for such Loans or such Revolving Commitment Fee by reason of meeting one or both KPI Metrics in any fiscal year shall not be cumulative year-over-year. The adjustments pursuant to this Section made on any Sustainability Pricing Adjustment Date shall only apply for the period until the date immediately preceding the next Sustainability Pricing Adjustment Date.

(c) If, for any fiscal year, either (i) no Pricing Certificate shall have been delivered for such fiscal year or (ii) the Pricing Certificate delivered for such fiscal year shall fail to include the Diverse Supplier Spend Percentage or GHG Emissions Intensity for such fiscal year, then the Sustainability Margin Adjustment will be positive 0.050% and/or the Sustainability Fee Adjustment will be positive 0.010%, as applicable, in each case commencing on the last day such Pricing Certificate could have been delivered in accordance with the terms of clause (a) above (it being understood that, in the case of the foregoing clause (ii), the Sustainability Margin Adjustment or the Sustainability Fee Adjustment will be determined in accordance with such Pricing Certificate to the extent the (A) Sustainability Margin Adjustment or the Sustainability Fee Adjustment is included in such Pricing Certificate and (B) the Administrative Agent has separately received the Diverse Supplier Spend Percentage and/or GHG Emissions Intensity, as applicable).

(d) If (i) the Borrower becomes aware of any material inaccuracy in the Sustainability Margin Adjustment, the Sustainability Fee Adjustment or the KPI Metrics as reported in a Pricing Certificate (any such material inaccuracy, a “Pricing Certificate Inaccuracy”), and (ii) a proper calculation of the Sustainability Margin Adjustment, Sustainability Fee Adjustment or the KPI Metrics would have resulted in an increase in the Applicable Rate for the Loans incurred by the Borrower and the Revolving Commitment Fee for any period, the Borrower shall notify the Administrative Agent of such inaccuracy

and (x) commencing on the Business Day following receipt by the Administrative Agent of such notice, the Applicable Rate for the Loans and the Revolving Commitment Fee shall be adjusted to reflect the corrected calculations of the Sustainability Margin Adjustment, Sustainability Fee Adjustment or the KPI Metrics, as applicable, and (y) the Borrower shall be obligated to pay to the Administrative Agent for the account of the applicable Lenders, promptly on demand (and in any event within 10 Business Days) by the Administrative Agent an amount equal to the excess of (1) the amount of interest for the Loans and Revolving Commitment Fees that should have been paid for such period over (2) the amount of interest for the Loans and Revolving Commitment Fees actually paid for such period. If the Borrower becomes aware of any Pricing Certificate Inaccuracy and, in connection therewith, if a proper calculation of the Sustainability Margin Adjustment, Sustainability Fee Adjustment or the KPI Metrics would have resulted in a decrease in the Applicable Rate for the Loans and the Revolving Commitment Fee for any period during any period, then, upon receipt by the Administrative Agent of notice from the Borrower of such Pricing Certificate Inaccuracy (which notice shall include corrections to the calculations of the Sustainability Margin Adjustment, Sustainability Fee Adjustment or the KPI Metrics, as applicable) (x) commencing on the Business Day following receipt by the Administrative Agent of such notice, the Applicable Rate for the Loans and the Revolving Commitment Fee shall be adjusted to reflect the corrected calculations of the Sustainability Margin Adjustment, Sustainability Fee Adjustment or the KPI Metrics, as applicable, and (y) an amount equal to the excess of (1) the amount of interest and fees actually paid for such period over (2) the amount of interest and fees that should have been paid for such period shall be credited to the account of the Borrower and shall reduce the amount of interest for the Loans and Revolving Commitment Fees owing by the Borrower in future periods to the Lenders (on a pro rata basis) on the date of payment of such interest for the Loans or Revolving Commitment Fees for such future period.

(e) It is understood and agreed that any Pricing Certificate Inaccuracy shall not constitute a Default or Event of Default and, notwithstanding anything to the contrary herein, unless such amounts shall be due upon the occurrence of an actual or deemed entry of an order for relief with respect to a Borrower under the Bankruptcy Code (or any comparable event under non-U.S. Debtor Relief Laws), (i) any nonpayment of such additional amounts prior to or upon such demand for payment by Administrative Agent shall not constitute a Default (whether retroactively or otherwise) and (ii) none of such additional amounts shall be deemed overdue prior to the date that is 10 Business Days after such a demand or shall accrue interest at the rate provided in Section 2.10(f) prior to the date that is 10 Business Days after such a demand. For the avoidance of doubt, the failure by the Borrower to deliver a Pricing Certificate shall not under any circumstance constitute a Default or an Event of Default.

(f) Each party hereto hereby agrees that the Administrative Agent shall not have any responsibility for (or liability in respect of) reviewing, auditing or otherwise evaluating any calculation by the Borrower of any Sustainability Margin Adjustment or Sustainability Fee Adjustment (or any of the data or computations that are part of or related to any such calculation) set forth in any Pricing Certificate (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry).

ARTICLE II

The Credits

SECTION 2.01. Commitments.

(a) Subject to the terms and conditions set forth herein, each Lender agrees to make Loans in any Agreed Currency to the Borrower from time to time during the Revolving Availability Period in an aggregate principal amount that will not result in such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment or the Aggregate Revolving Exposure exceeding the Aggregate Revolving Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans without premium or penalty (but subject to Section 2.13, if applicable).

SECTION 2.02. Loans and Borrowings.

(a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Revolving Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Revolving Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.19.

(b) Subject to Sections 2.11 and 2.12, each Borrowing (other than Swingline Loans) shall be comprised (i) in the case of Borrowings in dollars, entirely of ABR Loans or Term Benchmark Loans, (ii) in the case of Borrowings in Euros, entirely of Term Benchmark Loans, (iii) in the case of Borrowings in Sterling, entirely of RFR Loans, (iv) in the case of Borrowings in Yen or Australian Dollars, entirely of Term Benchmark Loans, and (v) in the case of Borrowings in Singapore Dollars, entirely of RFR Loans, in each case, denominated in the applicable currency, bearing interest at the Relevant Rate and as the Borrower may request in accordance herewith. Each Swingline Loan shall be an ABR Loan denominated in dollars. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000; provided that a Term Benchmark Borrowing that results from a continuation of an outstanding Term Benchmark Borrowing, as applicable, may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each ABR Borrowing and/or RFR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Revolving Commitment. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of eleven (11) (or such greater number as may be agreed to by the Administrative Agent), Term Benchmark Borrowings and RFR Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert to or continue, any Term Benchmark Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone or in writing (a) in the case of a Term Benchmark Borrowing denominated in dollars, not later than 12:30 p.m., New York City time, three U.S. Government Securities Business Days before the date of the proposed Borrowing, (b) in the case of a Term Benchmark Borrowing denominated in Euros, not later than 9:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (c) in the case of a Term Benchmark Borrowing denominated in Yen or Australian Dollars, not later than 12:30 p.m., New York City time, four Business Days before the date of the proposed Borrowing, (d) in the case of an RFR Borrowing denominated in Sterling, not later than 11:00 a.m., New York City time, three RFR Business Days before the date of the proposed Borrowing, (e) in the case of an RFR Borrowing denominated in Singapore Dollars, not later than 12:30 p.m., New York City time, four RFR Business Days before the date of the proposed Borrowing or (f) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the day of the proposed Borrowing; provided that any such notice of an ABR Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.20(e) may be given not

later than 11:00 a.m. on the date of the proposed Borrowing. Each such telephonic and written Borrowing Request shall be irrevocable and shall be made (or, if telephonic, confirmed promptly) by hand delivery or facsimile to the Administrative Agent of an executed written Borrowing Request. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the Borrower, the aggregate amount and Agreed Currency of such Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing, a Term Benchmark Borrowing or an RFR Borrowing;
- (iv) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the account of the Borrower to which funds are to be disbursed.

If no election as to the currency of a Borrowing is specified, then the requested Borrowing shall be made in dollars. If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing in dollars. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 11:00 a.m., New York City time (or, in the case of ABR Loans, such later time as shall be two hours after the delivery by the Borrower of a Borrowing Request therefor in accordance with Section 2.03), in each case, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in Section 2.19. The Administrative Agent will make such Loans available to the Borrower by promptly remitting the amounts so received, in like funds, to an

account of the Borrower; *provided* that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.20(e) shall be remitted by the Administrative Agent to the Applicable Issuing Bank.

a. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance on such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on written demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the applicable Overnight Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to ABR Loans or, in the case of Alternative Currencies, in accordance with such market practice, in each case, as applicable. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

SECTION 2.05. Interest Elections.

(a) Each Borrowing initially shall be of the Type and Agreed Currency and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in the applicable Borrowing Request or as otherwise provided in Section 2.03. Thereafter, the Borrower may elect to convert such Borrowing to a Borrowing of a different Type or to continue such Borrowing and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section; *provided* that no SOFR Loan may be converted to a Daily Simple SOFR loan prior to the implementation of Daily Simple SOFR pursuant to Section 2.11. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone or in writing by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic and written Interest Election Request shall be irrevocable and shall be made (or, if telephonic, confirmed promptly) by hand delivery, facsimile or electronic mail to the Administrative Agent of an executed written Interest Election Request. Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrower, the Agreed Currency and the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case

the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

- i. the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;
- ii. whether the resulting Borrowing is to be an ABR Borrowing, a Term Benchmark Borrowing or an RFR Borrowing; and
- iii. if the resulting Borrowing is to be a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(c) Promptly following receipt of an Interest Election Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(d) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Term Benchmark Borrowing in the same Agreed Currency for an additional Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default under clause (h) or (i) of Section 7.01 has occurred and is continuing with respect to the Borrower, or if any other Event of Default has occurred and is continuing and the Administrative Agent, at the request of (x) in the case of a Borrowing denominated in dollars, the Required Lenders and (y) in the case of a Borrowing denominated in an Alternative Currency, the Required Lenders have notified the Borrower of the election to give effect to this sentence on account of such other Event of Default, then, in each such case, so long as such Event of Default is continuing, (i) no outstanding Borrowing may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, (x) each Term Benchmark Borrowing denominated in dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto, (y) each Term Benchmark Borrowing and each RFR Borrowing, in each case denominated in Euros or Sterling, shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the CBR Spread and (z) each Term Benchmark Borrowing and each RFR Borrowing, in each case denominated in Yen, Singapore Dollars and Australian Dollars, shall be prepaid in full, in the case of Singapore Dollars, immediately and, in the case of Yen and Australian Dollars, at the end of the applicable Interest Period; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Agreed Currency shall either be (A) converted to an ABR Borrowing denominated in dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) at the end of the Interest Period, as applicable, therefor or (B) prepaid at the end of the applicable Interest Period, as applicable, in full; provided that if no election is made by the Borrower by the earlier of (x) the date that is three Business Days after receipt by the Borrower of such notice and (y) the last day of the current Interest Period for the applicable Term Benchmark Loan, the Borrower shall be deemed to have elected clause (A) above.

SECTION 2.06. Termination and Reduction of Revolving Commitments.

(a) Unless previously terminated, the Revolving Commitments shall automatically terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time permanently reduce, the Revolving Commitments; provided that (i) each reduction of the Revolving Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000, (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.08, the Aggregate Revolving Exposure would exceed the Aggregate Revolving Commitment and (iii) the other Revolving Exposure limitations set forth in Sections 2.01 and 2.02 shall be satisfied after giving effect to any such reduction.

(c) [Reserved].

(d) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination or reduction of the Revolving Commitments under paragraph (b) of this Section may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent) on or prior to the specified effective date if such condition is not satisfied. Any termination or reduction of the Revolving Commitments shall be permanent. Each reduction of the Revolving Commitments shall be made ratably among the Lenders in accordance with their respective Revolving Commitments.

SECTION 2.07. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan of such Lender made to the Borrower on the Maturity Date. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the Swingline Lenders the then unpaid principal amount of each Swingline Loan made to the Borrower on the earlier of the Maturity Date and the fifth Business Day after such Swingline Loan is made; provided that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans then outstanding and the proceeds of any such Borrowing shall be applied by the Administrative Agent to repay any Swingline Loans outstanding.

(b) The records maintained by the Administrative Agent and the Lenders shall (in the case of the Lenders, to the extent they are not inconsistent with the records maintained by the Administrative Agent pursuant to Section 9.04(b)(iv)) be prima facie evidence of the existence and amounts of the obligations of the Borrower in respect of the Loans, interest and fees due or accrued hereunder; provided that the failure of the Administrative Agent or any Lender to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to pay any amounts due hereunder in accordance with the terms of this Agreement.

(c) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after

assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein and its registered assigns.

SECTION 2.08. Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without premium or penalty, subject to the requirements of this Section.

(b) The Borrower shall notify the Administrative Agent by delivery of a Notice of Loan Prepayment of any optional prepayment hereunder (i) in the case of prepayment of a Term Benchmark Borrowing denominated in dollars, not later than 12:30 p.m., New York City time, three U.S. Government Securities Business Days before the date of prepayment, (ii) in the case of prepayment of a Term Benchmark Borrowing denominated in Euros, not later than 9:00 a.m., New York City time, three Business Days before the date of prepayment, (iii) in the case of a prepayment of a Term Benchmark Borrowing denominated in Yen or Australian Dollars, not later than 12:30 p.m., New York City time, four Business Days before the date of prepayment, (iv) in the case of a prepayment of an RFR Borrowing denominated in Sterling, not later than 11:00 a.m., New York City time, three RFR Business Days before the date of prepayment, (v) in the case of a prepayment of an RFR Borrowing denominated in Singapore Dollars, not later than 12:30 p.m., New York City time, four RFR Business Days before the date of prepayment and (vi) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the Agreed Currency and the Borrowing or Borrowings to be prepaid and the principal amount of each such Borrowing or portion thereof to be prepaid; provided that a Notice of Loan Prepayment may state that such notice is conditioned upon the occurrence of one or more events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent) on or prior to the specified effective date if such condition is not satisfied. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.10.

(c) In the event and on such occasion that the total Aggregate Revolving Exposure exceeds the Aggregate Revolving Commitments or any other Revolving Exposure limitations set forth in Sections 2.01 and 2.02 are not satisfied, the Borrower shall promptly prepay the Loans, LC Exposure and/or Swingline Loans in an aggregate amount equal to such excess. All prepayments required by this Section 2.08(c) shall be applied to reduce the outstanding principal balance of the Loans, including Swingline Loans (without a permanent reduction of the any Commitment) and to cash collateralize outstanding LC Exposure.

SECTION 2.09. Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee (the "Revolving Commitment Fee"), which shall accrue at the Applicable Rate on the daily amount of the Available Revolving Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which such Revolving Commitment terminates. Accrued Revolving Commitment Fees in respect of the Revolving Commitments shall be payable in arrears on the last Business Day of each March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the Effective Date. All Revolving Commitment Fees shall be computed on the basis of a year of 360 days

and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent, including pursuant to the Engagement Letter.

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to (i) in the case of the Revolving Commitment Fees, the Administrative Agent for distribution to the Lenders entitled thereto and (ii) in the case of any fees payable to the Administrative Agent for its own account, to the Administrative Agent. Fees paid shall not be refundable under any circumstances.

(d) The Borrower agree to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit at a *per annum* rate equal to the Applicable Rate applicable to Term Benchmark Loans, on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% *per annum* on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, cancellation, negotiation, transfer, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on such day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable within 30 days after written demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

SECTION 2.10. Interest.

(a) The Loans comprising each ABR Borrowing (including each Swingline Loan to the Borrower) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) [Reserved].

(c) The Loans comprising each Term Benchmark Borrowing shall bear interest at the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the BBSY Rate or the TIBOR Rate, as applicable, for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(d) Each RFR Loan shall bear interest at a rate per annum equal to (i) with respect to any RFR Borrowing denominated in Sterling, the applicable Adjusted Daily Simple RFR, (ii) with respect to any RFR Borrowing denominated in Singapore Dollars, the applicable Daily Simple RFR and (iii) with respect to any RFR Borrowing denominated in dollars, the applicable Adjusted Daily Simple RFR plus, in each case, the Applicable Rate.

(e) [Reserved].

(f) Notwithstanding the foregoing, if an Event of Default under Section 7.01(a) or (b) shall have occurred and be continuing, whether at stated maturity, upon acceleration or otherwise, then, upon the written request of the Required Lenders until the related defaulted amount shall have been paid in full, to the extent permitted by law, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2.00% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of overdue interest, overdue fees or any other amounts on any Loan with respect to any Revolving Commitment, 2.00% per annum plus the rate applicable to ABR Loans, as provided in paragraph (a) of this Section.

(g) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon the termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (f) of this Section shall be payable on written demand of the Required Lenders, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of a Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion. Any accrued and unpaid interest on any Loan shall be due and payable on the date such Loan is repaid.

(h) Interest computed by reference to any Term Benchmark hereunder shall be computed on the basis of a year of 360 days. Interest computed by reference to the Daily Simple RFR or the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Term Benchmark or Daily Simple RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11. Inability to Determine Rates.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.11, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Term Benchmark for the applicable Agreed Currency and such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Daily Simple RFR or Adjusted Daily Simple RFR for the applicable Agreed Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the BBSY Rate or the TIBOR Rate for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency and such Interest Period or (B) at any time, the applicable Adjusted Daily Simple RFR, Daily Simple RFR, Daily Simple ESTR or ESTR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.05 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in dollars, (1) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request for an ABR Borrowing and (2) any Borrowing Request that requests a Term Benchmark Borrowing shall instead be deemed to be a Borrowing Request for an ABR Borrowing and (B) for Loans denominated in an Alternative Currency, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing or an RFR Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing or an RFR Borrowing, in each case for the relevant Benchmark, shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then all other Types of Borrowings shall be permitted.

Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.11(a) with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until

(x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.05 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in dollars, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, an ABR Loan, on such day and (B) for Loans denominated in an Alternative Currency, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Alternative Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Alternative Currency shall be deemed to be a Term Benchmark Loan denominated in dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected RFR Loans denominated in any Alternative Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (B) be prepaid in full immediately.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" with respect to dollars in the case of clause (1) or Euros in the case of clause (2) for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or

further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" with respect to any Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent (in consultation with the Borrower) will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. The Administrative Agent will notify the Borrower of (i) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (e) below and (ii) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.11, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.11.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing or RFR Borrowing (if any, after the effectiveness of a Benchmark Replacement) of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for a Term Benchmark Borrowing denominated in dollars into a request for a Borrowing of or conversion to an ABR Borrowing or (y) any Term Benchmark Borrowing or RFR Borrowing denominated in the affected

Alternative Currency shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such RFR Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this Section 2.11, (A) for Loans denominated in dollars any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, an ABR Loan and (B) for Loans denominated in the affected Alternative Currency, (1) any Term Benchmark Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Alternative Currency shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Alternative Currency shall be deemed to be a Term Benchmark Loan denominated in dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in dollars at such time and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Alternative Currency plus the CBR Spread; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Alternative Currency cannot be determined, any outstanding affected RFR Loans denominated in any Alternative Currency, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (B) be prepaid in full immediately. Notwithstanding anything herein or in any other Loan Document to the contrary, in determining an alternative rate of interest, the Administrative Agent will use commercially reasonable efforts, to the extent the Administrative Agent is permitted to select an alternate benchmark rate or spread adjustment, to implement any proposal reasonably requested by the Borrower and not adverse to the Lenders that is intended to prevent the use of an alternative rate of interest pursuant to this Section 2.11 from resulting in a deemed exchange of any Indebtedness hereunder under Section 1001 of the Code.

SECTION 2.12. Increased Costs; Illegality.

(a) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or Issuing Bank (except any such reserve requirement reflected in any Term Benchmark, as applicable);
- (ii) impose on any Lender or Issuing Bank or the international interbank market for the applicable Agreed Currency any other condition, cost or expense (other than Taxes) affecting this Agreement or the Loans made by such Lender or any Letter of Credit or participation therein; or
- (iii) subject any Recipient to any Taxes (other than Indemnified Taxes or Excluded Taxes) with respect to its loans, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such Issuing Bank or other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any Loan or increase the cost to any Lender of issuing or maintaining any Letter of Credit or purchasing or maintaining a participation therein, or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank or other Recipient hereunder (whether of principal, interest or any other amount) then, from time to time within 10 days following request of such Lender or such Issuing Bank or other Recipient (accompanied by a certificate in accordance with paragraph (c) of this Section), the Borrower will pay to such Lender, such Issuing Bank or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Bank or other Recipient for such additional costs or expenses incurred or reduction suffered; provided that such Lender, such Issuing bank or other Recipient shall only be entitled to seek such additional amounts if such Person certifies that it is generally seeking the payment of similar additional amounts from similarly situated borrowers in comparable credit facilities to the extent it is entitled to do so.

(b) If any Lender or any Issuing Bank determines that any Change in Law affecting such Lender or Issuing bank or any lending office of such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company, if any, regarding capital or liquidity requirements has had or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement, the Revolving Commitments of such Lender or the Loans made or participations in Loans purchased by such Lender pursuant hereto or the Letters of Credit issued by such Issuing Bank pursuant hereto by such Lender to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy and liquidity), then, from time to time within 10 days following request of such Lender or such Issuing Bank (accompanied by a certificate in accordance with paragraph (c) of this Section), the Borrower will pay to such Lender or Issuing Bank such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered; provided that such Lender or Issuing Bank shall only be entitled to seek such additional amounts if such Person is generally seeking the payment of similar additional amounts from similarly situated borrowers in comparable credit facilities to the extent it is entitled to do so.

(c) A certificate of a Lender or an Issuing Bank setting forth the basis for and, in reasonable detail (to the extent practicable), computation of the amount or amounts necessary to compensate such Lender or Issuing Bank or their respective holding company, as the case may be, as specified in paragraph

(a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs or expenses incurred or reductions suffered more than 180 days prior to the date that such Lender or Issuing Bank notifies the Borrower of the Change in Law giving rise to such increased costs or expenses or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that if the Change in Law giving rise to such increased costs, expenses or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof. The protection of this Section shall be available to each Lender and the respective Issuing Bank regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed; provided that if, after the payment of any amounts by the Borrower under this Section, any Change in Law in respect of

which a payment was made is thereafter determined to be invalid or inapplicable to the relevant Lender or Issuing Bank, then such Lender or Issuing Bank shall, within 30 days after such determination, repay any amounts paid to it by the Borrower hereunder in respect of such Change in Law.

a. If any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to any applicable Daily Simple RFR or Adjusted Daily Simple RFR or Term Benchmark, or to determine or charge interest based upon any applicable Daily Simple RFR, Adjusted Daily Simple RFR or Term Benchmark, or, with respect to any Term Benchmark Loan, any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, any applicable Agreed Currency in the applicable offshore interbank market for the applicable Agreed Currency, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent) (an "Illegality Notice"), (a) any obligation of the Lenders to make RFR Loans or Term Benchmark Loans, as applicable, and any right of the Borrower to continue RFR Loans or Term Benchmark Loans, as applicable, in the affected Agreed Currency or Agreed Currencies or, in the case of Loans denominated in dollars, to convert ABR Loans to Term Benchmark Loans, shall be suspended, and (b) if necessary to avoid such illegality, the Administrative Agent shall compute the Alternate Base Rate without reference to clause (c) of the definition of "Alternate Base Rate", in each case until each such affected Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, (i) convert all Term Benchmark Loans denominated in dollars to ABR Loans or (ii) convert all RFR Loans or Term Benchmark Loans denominated in an affected Alternative Currency to ABR Loans denominated in dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) (in each case, if necessary to avoid such illegality, the Administrative Agent shall compute the Alternate Base Rate without reference to clause (c) of the definition of "Alternate Base Rate") (A) with respect to RFR Loans, on the Interest Payment Date therefor, if all affected Lenders may lawfully continue to maintain such RFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such RFR Loans to such day or (B) with respect to Term Benchmark Loans, on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such Term Benchmark Loans, to such day, or immediately, if any Lender may not lawfully continue to maintain such Term Benchmark Loans, as applicable, to such day. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest (except with respect to any prepayment or conversion of an RFR Loan) on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.13.

SECTION 2.13. Break Funding Payments. In the event of (i) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (ii) the conversion of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto, (iii) the failure to borrow, convert or continue any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (whether or not such notice may be revoked in accordance with the terms hereof), (iv) the failure to prepay any Term Benchmark Loan on a date specified therefor in any notice of prepayment given by the Borrower (unless such notice has been revoked in accordance with Section 2.08) or (v) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event (but not lost profits) within 15 days following written request of such Lender (accompanied by a certificate described below in this Section). Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted Term SOFR Rate that would have been applicable to such Loan (but not

including the Applicable Rate applicable thereto), for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate such Lender would bid if it were to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the international interbank market. A certificate of any Lender delivered to the Borrower and setting forth the basis for and, in reasonable detail (to the extent practicable), computation of any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt thereof.

SECTION 2.14. Taxes.

(a) Payments Free of Taxes. All payments by or on account of any obligation of the Borrower or any Guarantor under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax in respect of any such payment by any applicable withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower or such Guarantor, as applicable, shall be increased as necessary so that after all such deductions or withholdings have been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.14) the applicable Lender (or, in the case of a payment received by the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes. Without limitation or duplication of Section 2.14(a), the Borrower and the Guarantors shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent, timely reimburse the Administrative Agent for the payment of, any Other Taxes.

(c) Evidence of Payment. As soon as practicable after any payment of Taxes by the Borrower or a Guarantor to a Governmental Authority pursuant to this Section, the Borrower or such Guarantor, as applicable, shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower and the Guarantors. Without limitation or duplication of Section 2.14(a) or (b) above, the Borrower and the Guarantors shall jointly and severally indemnify each Recipient, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.14) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that if, after the payment of any amounts by the Borrower under this Section 2.14(d) any such Indemnified Taxes in respect of which a payment was made are thereafter determined to have been incorrectly or illegally imposed, then the relevant Recipient shall use commercially reasonable efforts to cooperate with the Borrower to obtain a refund of such Taxes (which shall be repaid to the Borrower in accordance with Section 2.14(g)) so long as such efforts would not, in the sole determination of such Recipient, result in any additional out-of-pocket costs or expenses not

reimbursed by the Borrower or be otherwise materially disadvantageous to such Recipient; provided, further, that the Borrower shall not be required to indemnify any Recipient pursuant to this Section 2.14(d) for any interest, penalties or expenses to the extent resulting from such Recipient's failure to notify the Borrower of the relevant possible indemnification claim within six months after such Recipient receives written notice from the applicable Governmental Authority of the specific Tax assessment given rise to such indemnification claim. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) [Reserved].

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to any payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower and the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (ii)(A), (ii)(B) and (iii) of Section 2.14(f)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), two properly completed and executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally eligible to do so, deliver to the Borrower and the Administrative Agent on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), two of whichever of the following is applicable:

1. in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, a properly completed and executed copies of IRS Form W-8BEN-E or IRS Form W-8BEN, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to such tax treaty;

2. in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, properly completed and executed copies of IRS Form W-8ECI;

3. in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” that is related to the Borrower as described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and no payments under any Loan Document are effectively connected with such Lender’s conduct of a U.S. trade or business and (y) properly completed and executed originals of IRS Form W-8BEN-E or IRS Form W-8BEN; or

4. to the extent a Foreign Lender is not the beneficial owner (for example, where such Foreign Lender is a partnership or a participating Lender), properly completed and executed copies of IRS Form W-8IMY, accompanied by properly completed and executed copies of IRS Form W-8ECI, IRS Form W-8BEN-E, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership (and not a participating Lender) and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of such direct and indirect partner(s); and

5. any Foreign Lender shall, to the extent it is legally eligible to do so, deliver to the Borrower and the Administrative Agent on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other documentation prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

i. If a payment made to a Lender or the Administrative Agent under any Loan Document would be subject to Taxes imposed by FATCA if such Lender or the Administrative Agent were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender or the Administrative Agent shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA, and to determine whether such Lender has complied with such Lender’s obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 2.14(f)(iii), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any documentation it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall promptly update such documentation and deliver such documentation

to the Borrower and the Administrative Agent or promptly notify the Borrower and the Administrative Agent in writing of its legal ineligibility to do so.

Notwithstanding any other provisions of this Section 2.14 (f), a Lender shall not be required to deliver any documentation that such Lender is not legally eligible to deliver.

Each Lender hereby authorizes the Administrative Agent to deliver to the Loan Parties and to any successor Administrative Agent any documentation provided by such Lender to the Administrative Agent pursuant to this Section 2.14(f).

On or before the date the Administrative Agent (or any successor thereto) becomes a party to this Agreement, the Administrative Agent shall provide to Borrower, two properly completed and executed copies of the documentation prescribed in clause (i) or (ii) below, as applicable (together with all required attachments thereto): (i) IRS Form W-9 or any successor thereto, or (ii) (A) IRS Form W-8ECI or any successor thereto, with respect to amounts received for its own account and (B) with respect to payments received on account of any Lender, IRS Form W-8IMY evidencing its agreement with the Borrower to be treated as a “United States person” within the meaning of Section 7701(a)(30) of the Code. At any time thereafter, the Administrative Agent shall provide updated documentation previously provided (or a successor form thereto) when any documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of the Borrower. Notwithstanding any other provisions of this Section 2.14(f), the Administrative Agent shall not be required to deliver any documentation that the Administrative Agent is not legally eligible to deliver as a result of a Change in Law after the date of this Agreement.

(g) Treatment of Certain Refunds. If any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.14 (including by the payment of additional amounts pursuant to this Section 2.14), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.14 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.14(g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.14(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.14(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 2.14(g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) The agreements in this Section 2.14 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the consummation of the transactions contemplated hereby, the repayment of the Loans and the expiration or termination of the Revolving Commitments, the expiration of any Letter of Credit or the termination of this Agreement or any provision hereof.

(i) For purposes of this Section 2.14, the term “applicable law” includes FATCA and the term “Lender” shall include any Issuing Bank and any Swingline Lender.

SECTION 2.15. Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) The Borrower shall make each payment or prepayment required to be made by it hereunder or under any other Loan Document prior to the time required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 2:00 p.m., New York City time), on the date when due or the date fixed for any prepayment hereunder, in immediately available funds, without any defense, setoff, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to such account as may be specified by the Administrative Agent, except payments to be made directly to an Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.12, 2.13, 2.14, 9.03 and 9.20 and 9.21 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payment received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under each Loan Document shall be made in the applicable Agreed Currency in which the Borrowing was made or Letter of Credit issued or otherwise in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied towards payment of the amounts then due hereunder ratably among the parties entitled thereto, in accordance with the amounts then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of any Loan or LC Disbursement resulting in such Lender receiving payment of a greater proportion of the aggregate amount of any Loan or LC Disbursement and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall notify the Administrative Agent of such fact and shall purchase (for cash at face value) participations in the Loans and LC Exposure of other Lenders to the extent necessary so that the amount of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amounts of principal of and accrued interest on their Loans or LC Exposure; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (for the avoidance of doubt, as in effect from time to time) or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or LC Exposure to any Person that is an Eligible Assignee (as such term is defined herein from time to time). The Borrower consent to the foregoing and agree, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation. For purposes of clause (b) of the definition of "Excluded Taxes," a Lender that acquires a participation pursuant to this Section 2.15(c) shall be treated as having acquired such participation on the date(s) on which such Lender acquired the applicable interest(s) in the applicable Commitment(s) to which such participation relates.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders that the

Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the applicable Overnight Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it hereunder to or for the account of the Administrative Agent, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations in respect of such payment until all such unsatisfied obligations have been discharged.

SECTION 2.16. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender or Issuing Bank requests compensation under Section 2.12, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or Issuing Bank or to any Governmental Authority for the account of any Lender or Issuing Bank pursuant to Section 2.14, then such Lender or Issuing Bank shall (at the request of the Borrower) use commercially reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates if, in the judgment of such Lender or Issuing Bank, such designation or assignment and delegation (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or 2.14, as the case may be, in the future and (ii) would not subject such Lender or Issuing Bank, as applicable, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment and delegation within 10 days following request of such Lender or Issuing Bank (accompanied by reasonable (to the extent practicable) back-up documentation relating thereto).

(b) If (i) any Lender requests compensation under Section 2.12, (ii) any Lender delivers a notice under Section 2.12(e), (iii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or Issuing Bank or any Governmental Authority for the account of any Lender or Issuing Bank pursuant to Section 2.14, (iv) any Lender or Issuing Bank has become a Defaulting Lender, (v) any Lender or Issuing Bank has failed to consent to a proposed amendment, waiver, discharge or termination that under Section 9.02 requires the consent of all the Lenders or Issuing Banks (or all or the majority of the affected Lenders or Issuing Banks) and with respect to which the Required Lenders shall have granted their consent or (vi) in connection with the replacement of any non-Accepting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender or Issuing Bank, as applicable, and the Administrative Agent, either (i) require such Lender or Issuing Bank, as applicable, to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), it being understood that the processing and recordation fee referred to in such Section shall be paid by the Borrower or the assignee (and the assignor Lender or Issuing Bank, as applicable, shall not be responsible therefor), all its interests, rights (other than its existing rights to payments pursuant to Section 2.12 or 2.14) and obligations under this Agreement and the other Loan Documents (or, in the case of any such assignment and delegation resulting from a failure to provide a consent, all its interests, rights and obligations under this Agreement and the other Loan Documents as a Lender) to an Eligible Assignee that shall assume such obligations (which may be another Lender, if a Lender accepts such assignment and delegation) or (ii) so long as no Event of Default shall have occurred and be continuing, terminate the Revolving Commitment of such Lender or Issuing Bank, as the case may be, and (1) in the case of a

Lender (other than an Issuing Bank), repay all Obligations of the Borrower owing (and the amount of all accrued interest and fees in respect thereof) to such Lender relating to the Loans and Revolving Exposure participations held by such Lender as of such termination date and (2) in the case of an Issuing Bank, repay all obligations of the Borrower owing to such Issuing Bank relating to the Loans, Letters of Credit and Revolving Exposure participations held by such Issuing Bank as of such termination date and cancel, cash collateralize or backstop on terms satisfactory to such Issuing Bank any Letters of Credit issued by it; provided that (A) such Lender or Issuing Bank, as applicable, shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (if applicable, in each case only to the extent such amounts relate to its interest as a Lender) from the assignee (in the case of such principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (B) in the case of any such assignment and delegation resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments, (C) such assignment does not conflict with applicable law and (D) in the case of any such assignment and delegation resulting from the failure to provide a consent, the assignee shall have given such consent and, as a result of such assignment and delegation and any contemporaneous assignments and delegations and consents, the applicable amendment, waiver, discharge or termination can be effected. A Lender or Issuing Bank shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or consent by such Lender or Issuing Bank or otherwise, the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply. Each party hereto agrees that an assignment and delegation required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender or Issuing Bank required to make such assignment and delegation need not be a party thereto.

SECTION 2.17. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

- (a) the Revolving Commitment Fees shall cease to accrue on the unused amount of the Revolving Commitment of such Defaulting Lender;
- (b) the Revolving Commitment and the Revolving Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders or any other requisite Lenders have taken or may take any action hereunder or under any other Loan Document (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided that any amendment, waiver or other modification requiring the consent of all Lenders or all Lenders adversely affected thereby shall, except as otherwise provided in Section 9.02, require the consent of such Defaulting Lender in accordance with the terms hereof;
- (c) if any Swingline Exposure or LC Exposure exists at the time a Lender becomes a Defaulting Lender then:
 - (i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Pro Rata Percentages, (x) but only to the extent the sum of all non-Defaulting Lenders' Revolving Exposure plus such Defaulting Lender's Swingline Exposure and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments and (y) only to the extent that no Event of Default shall have occurred and be continuing as of the date the applicable Lender became a Defaulting Lender;

i. if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within three Business Days following notice by the Administrative Agent (x) first, prepay such Swingline Exposure, and (y) second, cash collateralize, for the benefit of the Issuing Banks, the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.20(j) for so long as such LC Exposure is outstanding;

ii. if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower or the Administrative Agent shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.09(d) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

iii. if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.09(a), 2.09(d) and/or 2.09(e), as applicable, shall be adjusted in accordance with such non-Defaulting Lenders' Pro Rata Percentages; and

iv. if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any Lender hereunder, all letter of credit fees payable under Section 2.09(d) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Banks entitled to reimbursement until such LC Exposure is reallocated and/or cash collateralized;

(d) so long as such Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan, the Issuing Banks shall not be required to issue or increase any Letter of Credit, unless the Swingline Lender or the Applicable Issuing Bank, as the case may be, is satisfied that the related exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.17(c), and participating interests in any such newly made Swingline Loan, newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.17(c) (i) (and such Defaulting Lender shall not participate therein); and

(e) so long as such Lender is a Defaulting Lender, any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 2.15) shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated account (for the avoidance of doubt, it is noted that any amounts retained pursuant to this Section 2.17(e) shall for all other purposes be treated as having been paid to such Defaulting Lender) and, subject to any applicable requirements of law and the proviso at the end of this Section 2.17(e), be applied at such time or times as may be determined by the Administrative Agent (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder, (ii) second, pro rata, to the payment of any amounts owing by such Defaulting Lender to any Issuing Bank or Swingline Lender hereunder, (iii) third, if the Administrative Agent so determines or is reasonably requested by an Issuing Bank or the Swingline Lender, held in such account as cash collateral for future funding obligations of the Defaulting Lender in respect of any existing or future participating interest in any Swingline Loan or Letter of Credit, (iv) fourth, to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent, (v) fifth, if the Administrative Agent or the Borrower (with the consent of the Administrative

Agent) so determines, held in such account as cash collateral for future funding obligations of the Defaulting Lender in respect of any Loans under this Agreement, (vi) *sixth*, to the payment of any amounts owing to the Lenders, an Issuing Bank or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, such Issuing Bank or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, (vii) *seventh*, so long as no Event of Default has occurred and is continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, and (viii) *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or reimbursement obligations in respect of LC Disbursements which such Defaulting Lender has not fully funded its participation obligations and (y) made at a time when the conditions set forth in Section 4.02 are satisfied, such payment shall be applied solely to prepay the Loans of, and reimbursement obligations owed to, all non-Defaulting Lenders pro rata prior to being applied to the prepayment of any Loans, or reimbursement obligations owed to, any Defaulting Lender.

If each of the Administrative Agent, the Borrower, the Issuing Banks and the Swingline Lender and agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitments and on the date of such readjustment such Lender shall purchase at par such of the Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Pro Rata Percentages.

The Borrower may terminate the unused amount of the Revolving Commitment of any Lender that is a Defaulting Lender upon not less than two Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof); provided that (i) no Event of Default shall have occurred and be continuing and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, any Issuing Bank or any Lender may have against such Defaulting Lender.

The rights and remedies against, and with respect to, a Defaulting Lender under this Section are in addition to, and cumulative and not in limitation of, all other rights and remedies that the Administrative Agent, any Lender or the Borrower may at any time have against, or with respect to, such Defaulting Lender.

SECTION 2.18. Certain Permitted Amendments.

(a) The Borrower may, by written notice to the Administrative Agent from time to time beginning after the Effective Date, but not more than five times during the term of this Agreement (and with no more than one such offer outstanding at any one time), make one or more offers (each, a "Loan Modification Offer") to all the Lenders to make one or more Permitted Amendments pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective. Notwithstanding anything to the contrary in Section 9.02, each Permitted Amendment shall only require the consent of the Borrower, the Administrative Agent and those Lenders that accept the applicable Loan Modification Offer (such Lenders, the "Accepting Lenders"), and each Permitted Amendment shall become effective only with respect to the Loans of the Accepting Lenders. In connection with any Loan Modification Offer, the Borrower may, at its sole option, with respect to one or more of the Lenders that are not Accepting Lenders (each, a "Non-Accepting Lender") replace such Non-Accepting Lender pursuant to Section

2.16(b). Upon the effectiveness of any Permitted Amendment and any assignment of any Non-Accepting Lender's Revolving Commitments pursuant to Section 2.16(b), subject to the payment of applicable amounts pursuant to Section 2.13 in connection therewith, the Borrower shall be deemed to have made such borrowings and repayments of the Loans, and the Lenders shall make such adjustments of outstanding Loans between and among them, as shall be necessary to effect the reallocation of the Revolving Commitments such that, after giving effect thereto, (x) the Loans denominated in dollars shall be held by the Lenders (including the Eligible Assignees as the new Lenders) ratably in accordance with their Pro Rata Percentages and (y) the Loans denominated in an Alternative Currency shall be held by the Lenders (including the Eligible Assignees as the new Lenders) ratably in accordance with their Pro Rata Percentages.

(b) The Borrower and each Accepting Lender shall execute and deliver to the Administrative Agent a Loan Modification Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Modification Agreement. Each of the parties hereto hereby agrees that, upon the effectiveness of any Loan Modification Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Loans and Revolving Commitments of the Accepting Lenders, including any amendments necessary to treat the applicable Loans and/or Revolving Commitments of the Accepting Lenders as a new "Class" or "Tranche" of loans and/or commitments hereunder. Notwithstanding the foregoing, no Permitted Amendment shall become effective unless the Administrative Agent, to the extent reasonably requested by the Administrative Agent, shall have received legal opinions, board resolutions, officer's and secretary's certificates and other documentation consistent with those delivered on the Effective Date under this Agreement.

(c) "Permitted Amendments" means any or all of the following: (i) an extension of the Maturity Date applicable solely to the Loans and/or Revolving Commitments of the Accepting Lenders, (ii) an increase in the interest rate with respect to the Loans and/or Revolving Commitments of the Accepting Lenders, (iii) the inclusion of additional fees to be payable to the Accepting Lenders in connection with the Permitted Amendment (including any commitment fees and upfront fees), (iv) such amendments to this Agreement and the other Loan Documents as shall be appropriate, necessary or advisable, in the reasonable judgment of the Administrative Agent and the Borrower, to provide the rights and benefits of this Agreement and other Loan Documents to each new "Class" or "Tranche" of loans and/or commitments resulting therefrom; provided that extensions of Borrowings shall be made pro rata across "Classes" or "Tranches" of loans and/or commitments and payments of principal and interest on Loans (including Loans of Accepting Lenders) shall continue to be shared pro rata in accordance with Section 2.15, except that notwithstanding Section 2.15 the Loans and Revolving Commitments of the Non-Accepting Lenders may be repaid and terminated on their applicable Maturity Date, and may be so repaid or terminated without any pro rata reduction of the commitments and repayment of Loans of Accepting Lenders with a different Maturity Date and (v) such other amendments to this Agreement and the other Loan Documents as shall be appropriate, necessary or advisable, in the reasonable judgment of the Administrative Agent and the Borrower, to give effect to the foregoing Permitted Amendments.

(d) This Section 2.18 shall supersede any provision in Section 9.02 to the contrary. Notwithstanding any reallocation into extending and non-extending "Classes" or "Tranches" in connection with a Permitted Amendment, all Loans to the Borrower under this Agreement shall rank pari -passu in right of payment.

SECTION 2.19. Swingline Loans.

(a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans from time to time in dollars to the Borrower during the Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$50,000,000 to the Borrower, (ii) the total Aggregate Revolving Exposure exceeding the Aggregate Revolving Commitment, (iii) the aggregate principal amount of outstanding Swingline Loans (to the extent that the other Lenders shall not have funded their participations) and Revolving Exposure of the Swingline Lender (solely in its capacity as a Lender) exceeding the Revolving Commitment of the Swingline Lender, or (iv) any other limitation set forth in Section 2.01 or 2.02 not being satisfied after giving effect to such Swingline Loan; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans without premium or penalty. To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by facsimile), not later than 2:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day), the Borrower and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of remitting the amounts to an account of the Borrower (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.20(e), by remittance to the Applicable Issuing Bank).

(b) The Swingline Lender may by written notice given to the Administrative Agent not later than 12:00 p.m. (noon), New York City time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which the applicable Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Pro Rata Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Pro Rata Percentage of such Swingline Loan or Loans in dollars. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph, is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Sections 2.04(a) and (b) with respect to Loans made by such Lender (and Sections 2.04(a) and (b) shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

(c) The Administrative Agent, on behalf of the Swingline Lender, shall request settlement (a “Settlement”) with the Lenders on at least a weekly basis or on any date that the Administrative Agent elects, by notifying the Lenders of such requested Settlement by facsimile, telephone, or e-mail no later than 1:00 p.m., New York City time, on the date of such requested Settlement (the “Settlement Date”). Each Lender (other than the Swingline Lender, in the case of the Swingline Loans) shall transfer the amount of such Lender’s Pro Rata Percentage of the outstanding principal amount of the applicable Loan with respect to which Settlement is requested to the Administrative Agent, to such account of the Administrative Agent as the Administrative Agent may designate, not later than 3:00 p.m., New York City time on such Settlement Date. Settlements may occur during the existence of a Default and whether or not the applicable conditions precedent set forth in Section 4.02 have then been satisfied. Such amounts transferred to the Administrative Agent shall be applied against the amounts of the Swingline Lender’s Swingline Loans and, together with the Swingline Lender’s Pro Rata Percentage of such Swingline Loan, shall constitute Loans of such Lenders, respectively. If any such amount is not transferred to the Administrative Agent by any Lender on such Settlement Date, the Swingline Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon as specified in Section 2.04(b).

SECTION 2.20. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit denominated in Agreed Currencies (provided that the aggregate amount of all Letters of Credit issued in an Alternative Currency shall not exceed the Dollar Equivalent of \$50,000,000) for its own account or for the account of the Borrower and any of the Guarantors, with each Letter of Credit being in a form reasonably acceptable to the Administrative Agent and the Applicable Issuing Bank, at any time and from time to time during the Revolving Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. It is hereby acknowledged and agreed that and each of the letters of credit described on Schedule 2.20 (the “Existing Letters of Credit”) shall constitute a “Letter of Credit” for all purposes of this Agreement and shall be deemed issued under this Agreement on the Effective Date.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or facsimile (or transmit by electronic communication, if arrangements for doing so have been approved by the Applicable Issuing Bank) to the Applicable Issuing Bank and the Administrative Agent (prior to 12:30 p.m. at least three Business Days prior to the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount and Agreed Currency of such Letter of Credit, to which Borrower’s account the Letter of Credit will apply, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Applicable Issuing Bank, the Borrower also shall submit a letter of credit application on the Applicable Issuing Bank’s standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$200,000,000, (ii) the Aggregate Revolving Exposure shall not exceed the Aggregate Revolving Commitments, (iii) the Issuing Bank Issued Amount with respect to the Applicable Issuing Bank shall not exceed the Issuing Bank Individual Sublimit of the

Applicable Issuing Bank (unless otherwise agreed by the Applicable Issuing Bank), and (iv) all other Revolving Exposure limitations set forth in Sections 2.01 and 2.02 would be satisfied.

An Issuing Bank shall not be under any obligation to issue any Letter of Credit if:

(i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any law applicable to such Issuing Bank shall prohibit, or require that such Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense that was not applicable on the Effective Date and that such Issuing Bank in good faith deems material to it; or

(ii) the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank applicable to letters of credit generally.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Applicable Issuing Bank or the Lenders, the Applicable Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Applicable Issuing Bank, a participation in such applicable Letter of Credit equal to such Lender's Pro Rata Percentage, as applicable, of the aggregate amount available to be drawn under such applicable Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Applicable Issuing Bank, such Lender's Pro Rata Percentage of each LC Disbursement made by the Applicable Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason in each case in the applicable Agreed Currency. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Applicable Issuing Bank shall make any LC Disbursement in respect of such Letter of Credit, the Borrower shall reimburse such LC Disbursement in the applicable Agreed Currency by paying to the Administrative Agent an amount equal to such LC Disbursement not later than noon on the date that is one Business Day immediately following the day that such LC Disbursement is made; provided that the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.19 that such payment be financed with a Revolving Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Revolving Borrowing or Swingline Loan. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in

respect thereof and such Lender's Pro Rata Percentage thereof. Promptly following receipt of such notice, each applicable Lender shall pay to the Administrative Agent such Pro Rata Percentage of the payment in the applicable Agreed Currency, then due from the Borrower, in the same manner as provided in Sections 2.04(a) and 2.04(b) with respect to Loans made by such Lender (and Sections 2.04(a) and 2.04(b) shall apply, *mutatis mutandis*, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Applicable Issuing Bank the amounts so received by it from the applicable Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Applicable Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Applicable Issuing Bank, then to such applicable Lenders and the Applicable Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Applicable Issuing Bank for any LC Disbursement (other than the funding of Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of their obligation to reimburse such LC Disbursement.

(f) **Obligations Absolute.** The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Applicable Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms, any error in translation or any consequence arising from causes beyond the control of such Letter of Credit's Applicable Issuing Bank; provided that the foregoing shall not be construed to excuse an Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction). In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) **Disbursement Procedures.** The Applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Applicable Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by facsimile) or electronic mail of such demand for payment and whether the Applicable Issuing Bank has made or will make an LC Disbursement thereunder; provided that any

failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Applicable Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) **Interim Interest.** If the Applicable Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate *per annum* then applicable to ABR Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph(e) of this Section, then Section 2.10(f) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph(e) of this Section to reimburse the Applicable Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) **Replacement of an Issuing Bank; Additional Issuing Banks; Resignation.**

(i) Any Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.08(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(ii) The Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld, denied, conditioned or delayed) and such Lender, designate one or more additional Lenders (not to exceed five such Lenders at any time) to act as an issuing bank under the terms of this Agreement. Any Lender designated as an issuing bank pursuant to this paragraph(i)(ii) shall be deemed to be an "Issuing Bank" (in addition to being a Lender) in respect of Letters of Credit issued or to be issued by such Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to the other Issuing Bank and such Lender.

(iii) Any Issuing Bank may resign at any time by giving 30 days' prior notice to the Administrative Agent, the Lenders and the Borrower. After the resignation of an Issuing Bank hereunder, the retiring Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit or to extend, reinstate, or otherwise amend any then existing Letter of Credit.

(j) **Cash Collateralization.** If any Event of Default shall occur and be continuing, or if any Letter of Credit extends past the Maturity Date, on the Business Day that the Borrower receives notice from the Required Lenders (or, if the maturity of the Loans has been accelerated, the Administrative Agent) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in

an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders (the “LC Collateral Account”), an amount in cash equal to 103% of the LC Exposure of the Borrower as of such date plus accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 7.01(h) or (i). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. In addition, and without limiting the foregoing or paragraph (c) of this Section, if any LC Exposure remain outstanding after the expiration date specified in Section 2.01, the Borrower shall immediately deposit into the LC Collateral Account an amount in cash equal to 103% of such LC Exposure as of such date plus any accrued and unpaid interest thereon. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account and the Borrower hereby grants the Administrative Agent a security interest in the LC Collateral Account to secure the Obligations of the Borrower. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower’s risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in each such account. Moneys in each such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements on account of the Borrower for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, be applied to satisfy other Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all such Events of Defaults have been cured or waived.

(k) Reporting. No later than 9:00 a.m., New York City time, on the second Business Day prior to the last day of each calendar quarter (the “Reporting Time”), each Issuing Bank shall provide the Administrative Agent with a summary of all (A) outstanding issuances at such time and (B) Letter of Credit activity during such calendar quarter. It is understood and agreed that, for purposes of the calculation of fees payable pursuant to Section 2.09(d), any Letter of Credit activity occurring after the Reporting Time shall be deemed to have occurred in the immediately succeeding calendar quarter.

SECTION 2.21. Revolving Commitment Increase.

(a) The Borrower may at any time or from time to time after the Effective Date, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request one or more increases in the amount of the Revolving Commitments (each such increase, a “Revolving Commitment Increase”); provided that both at the time of any such request and upon the effectiveness of any Incremental Amendment referred to below, no Event of Default shall exist. Each Revolving Commitment Increase shall be in an aggregate principal amount that is not less than \$25,000,000 (or such lower amount that either (A) represents all remaining availability under the limit set forth in the next sentence or (B) is acceptable to the Administrative Agent). Notwithstanding anything to the contrary herein, the aggregate amount of the Revolving Commitment Increases shall not exceed \$500,000,000 (the “Commitment Increase Cap”). Each notice from the Borrower pursuant to this Section 2.21 shall set forth the requested amount and proposed terms of the relevant Revolving Commitment Increase. Revolving Commitment Increases may be made by any existing Lender or by any other bank or other financial institution (any such other bank or other financial institution being called an “Additional Lender”); provided that the relevant Persons under Section 9.04(b) shall have consented (in each case, not to be unreasonably withheld or delayed) to such Lender’s or Additional Lender’s Revolving Commitment Increase, if such consent would be required under Section 9.04(b) for an assignment of Loans to such Lender or Additional Lender. Each Arranger agrees, upon the request of the

Borrower and pursuant to mutually satisfactory engagement and compensation arrangements, to use its commercially reasonable efforts to obtain any Additional Lenders to make any such requested Revolving Commitment Increase; provided that each Arranger's agreement to use such efforts does not constitute a commitment to provide any such requested Revolving Commitment Increase.

(b) Commitments in respect of any Revolving Commitment Increase shall become Revolving Commitments under this Agreement pursuant to an amendment (an "Incremental Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Lender agreeing to provide such Revolving Commitment Increase, if any, each Additional Lender, if any, and the Administrative Agent. The Incremental Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.21. The effectiveness of any Incremental Amendment shall be subject to the satisfaction on the date thereof (each, a "Revolving Commitment Increase Closing Date") of each of the conditions set forth in Section 4.02 (it being understood that all references to "the date of such Borrowing" or similar language in such Section 4.02 shall be deemed to refer to the effective date of such Incremental Amendment). Notwithstanding the foregoing, no Incremental Amendment shall become effective unless the Administrative Agent, to the extent reasonably requested by the Administrative Agent, shall have received legal opinions, board resolutions, officer's and secretary's certificates and other documentation consistent with those delivered on the Effective Date under this Agreement. The Borrower may use the proceeds of Loans provided pursuant to any Revolving Commitment Increase for any purpose not prohibited by this Agreement. No Lender shall be obligated to provide any Revolving Commitment Increase unless it so agrees in its sole discretion. Any Lender that fails to respond to a request to increase its Commitment shall be deemed to have declined such request.

(c) The Loans and Revolving Commitments established pursuant to this paragraph shall constitute Loans and Revolving Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guarantees provided under Article X.

(d) After giving effect to any Revolving Commitment Increase, it may be the case that the outstanding Loans are not held pro rata in accordance with the new Revolving Commitments. In order to remedy the foregoing, on the effective date of the applicable Revolving Commitment Increase, each of the parties hereto (including each Additional Lender) agrees that the Administrative Agent may take any and all action as may be reasonably necessary to ensure that, after giving effect to such Revolving Commitment Increase, the Loans will be held by the Lenders (including, without limitation, any Additional Lenders), pro rata in accordance with the Pro Rata Percentages hereunder (after giving effect to the applicable Revolving Commitment Increase).

(e) This Section 2.21 shall supersede any provision herein to the contrary.

ARTICLE III

Representations and Warranties

The Borrower and each Guarantor represents and warrants to the Administrative Agent, each Issuing Bank and each of the Lenders, on the Effective Date and on each other date on which representations and warranties are required to be, or are deemed to be, made under the Loan Documents, that:

SECTION 3.01. Organization; Powers. The Borrower and each Guarantor and each other Material Subsidiary is duly organized, validly existing and (to the extent the concept is applicable in such jurisdiction) in good standing under the laws of the jurisdiction of its organization, has all power and authority and all material Governmental Approvals required for the ownership and operation of its material properties and the conduct of its material business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business, and is in good standing, in every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions to be entered into by the Borrower and each Guarantor are within the Borrower's and Guarantor's corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational and, if required, stockholder or other equityholder action of the Borrower and each Guarantor. This Agreement has been duly executed and delivered by the Borrower and each Guarantor and constitutes, and each other Loan Document, when executed and delivered by the Borrower and each Guarantor, will constitute, a legal, valid and binding obligation of the Borrower or such Guarantor, as applicable, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, winding-up or other laws affecting creditors' rights generally and to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; Absence of Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with or any other action by any Governmental Authority, except such as have been obtained or made and are in full force and effect and except to the extent failure to obtain any such consent, approval, registration, filing or other action would not reasonably be expected to result in a Material Adverse Effect, (b) will not violate any applicable law, including any order of any Governmental Authority, except to the extent any such violations, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, (c) do not require consent or approval, except such as have been obtained and are in full force and effect, under, and will not violate, the certificate or formation or limited liability company agreement of the Borrower, (d) will not violate or result (alone or with notice or lapse of time or both) in a default under any indenture or other agreement or instrument in respect of Material Indebtedness binding upon the Borrower or any Subsidiary or any of their assets, or give rise to a right thereunder to require any payment, repurchase or redemption to be made by the Borrower or any Subsidiary, or give rise to a right of, or result in, any termination, cancellation, acceleration or right of renegotiation of any obligation thereunder, in each case except to the extent that the foregoing, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect and (e) except for Permitted Liens or other Liens permitted under Section 6.02, will not result in the creation or imposition of any Lien on any asset of the Borrower or any Subsidiary.

SECTION 3.04. Financial Condition; No Material Adverse Change.

(a) The Borrower has heretofore furnished to the Lenders its audited consolidated balance sheet and related consolidated statements of operations, shareholders' equity and cash flows (i) as of and for the fiscal year ended December 31, 2021, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended June 30, 2022. Such financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance in all material respects with GAAP, subject to normal year-end audit adjustments and, in the case of the statements referred to in clause (ii) above, the absence of footnotes.

(b) Since December 31, 2021, there has been no event or condition that has resulted, or would reasonably be expected to result, in a material adverse change in the business, assets, liabilities, operations or financial condition of the Borrower and the Subsidiaries, taken as a whole.

SECTION 3.05. Properties.

(a) The Borrower and each Subsidiary has good title to, or valid leasehold interests in, or rights to use, all its property material to its business, subject to Liens permitted by Section 6.02 and except (i) for defects in title that, individually or in the aggregate, do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower or any Subsidiary or (ii) for any failure to do so that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) The Borrower and each Subsidiary owns, or is licensed to use, all patents, trademarks, copyrights, technology, software, domain names and other intellectual property that is necessary for the conduct of its business as currently conducted, without conflict with the rights of any other Person, except to the extent that such failure to own or license, or any such conflict, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No patents, trademarks, copyrights technology, software, domain names or other intellectual property used by the Borrower or any Subsidiary in the operation of its business infringes upon, misappropriates or otherwise violates the intellectual property rights of any other Person, except for any such infringements, misappropriations or other violations that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No claim or litigation regarding any patents, trademarks, copyrights, technology, software, domain names or other intellectual property owned or used by the Borrower or any Subsidiary is pending or, to the knowledge of the Borrower or any Subsidiary, threatened in writing against the Borrower or any Subsidiary that, individually or in the aggregate, has a reasonable likelihood of an adverse determination and such adverse determination would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters.

(a) Except as set forth in Schedule 3.06, there are no actions, suits or proceedings by or before any Governmental Authority or arbitrator pending against or, to the knowledge of the Borrower or any Subsidiary, threatened in writing against the Borrower or any Subsidiary that (i) has a reasonable likelihood of an adverse determination and such adverse determination would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) involve any of the Loan Documents.

(b) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect: neither the Borrower nor any Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any Governmental Approval required under any Environmental Law, (ii) is subject to any Environmental Liability, (iii) has received written notice of any claim with respect to any Environmental Liability or (iv) knows of any fact, incident, event or condition that would reasonably be expected to form the basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws.

(a) The Borrower and each Subsidiary is in compliance with all laws, including all orders of Governmental Authorities, applicable to it or its property, except where the failure to comply, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower and the Subsidiaries (subject to Section 5.08) and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower and the Subsidiaries and their respective officers and directors and, to the knowledge of the Borrower or any Subsidiary, their respective employees and agents are in compliance with Anti- Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or their respective directors or officers or, to the knowledge of the Borrower or any Subsidiary, any of their respective employees, or (b) to the knowledge of the Borrower or any Subsidiary, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from any credit facility established hereby, is a Sanctioned Person. The Transactions do not violate any Anti-Corruption Law, the USA PATRIOT Act or applicable Sanctions. No Borrowing, Letter of Credit or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower will not use, and will procure that the Subsidiaries and its or their respective directors, officers, employees and agents will not use, directly, to its knowledge, or indirectly, the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, business or transactions are prohibited by Sanctions (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 3.08. Investment Company Status. None of the Borrower or any Guarantor is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09. Taxes. The Borrower and each Subsidiary have timely filed or caused to be filed all Tax returns and reports required to have been filed and have paid or caused to be paid all Taxes required to have been paid by them, except where (a) (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the Borrower or such Subsidiary, as applicable, has set aside on its books reserves with respect thereto to the extent required by GAAP and (iii) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation or (b) the failure to do so would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Events have occurred or are reasonably expected to occur that would, in the aggregate, reasonably be expected to result in a Material Adverse Effect. The Borrower and each ERISA Affiliate has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance with the presently applicable provisions of ERISA and the Code with respect to each Plan, in each case, except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Except as would not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any ERISA Affiliate has (a) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (b) failed to make any contribution or payment to any Plan or Multiemployer Plan, or made any amendment to any Plan that has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code, or (c) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA that are not past due. The Borrower does not and will not hold “plan assets” (within the meaning of 29 CFR § 2510.3- 101, as modified by Section 3(42) of ERISA).

SECTION 3.11. Solvency. Immediately after giving effect to the consummation of the Transactions to occur on such date, including the making of any Loans and the application of the proceeds thereof, (i) the fair value of the assets of the Borrower and the Subsidiaries on a consolidated basis, at a fair valuation on a going concern basis, will exceed the debts and liabilities, direct, subordinated, contingent or otherwise, of the Borrower and the Subsidiaries on a consolidated basis; (ii) the present fair saleable value of the property of the Borrower and the Subsidiaries on a consolidated and going concern basis will be greater than the amount that will be required to pay the probable liability of the Borrower and the Subsidiaries on a consolidated basis on their debts and other liabilities, direct, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business; (iii) the Borrower and the Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured in the ordinary course of business; and (iv) the Borrower and the Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted.

SECTION 3.12. Disclosure. Each of the written reports, financial statements, certificates and other written information (other than financial projections, budgets, estimates, other forward-looking information, and information of a general economic or industry-specific nature) furnished by or on behalf of the Borrower or any Subsidiary to the Administrative Agent, any Arranger or any Lender in connection with the negotiation of this Agreement or any other Loan Document is and will be, when furnished and taken as a whole, complete and correct in all material respects and does not and will not, when furnished and taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (in each case after giving effect to all supplements and updates provided thereto prior to the Effective Date). The financial projections that have been furnished by or on behalf of the Borrower or any Subsidiary to the Administrative Agent, any Arranger or any Lender in connection with the negotiation of this Agreement or any other Loan Document have been prepared in good faith based upon assumptions that are believed by the Borrower to be reasonable at the time such financial projections are furnished to the Administrative Agent, any Arranger or any Lender, it being understood and agreed that financial projections are as to future events and are not to be viewed as facts, are subject to significant uncertainties and contingencies, many of which are out of the Borrower's, or its Subsidiaries' control, that no assurance can be given that any particular projections will be realized, that the financial projections is not a guarantee of financial performance and that actual results during the period or periods covered by such projections may differ significantly from the projected results and such differences may be material.

SECTION 3.13. Federal Reserve Regulations. Neither the Borrower nor any Subsidiary is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors), or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of the Loans or any Letter of Credit will be used to purchase or carry margin stock, to extend credit for others to purchase or carry margin stock or for any purpose that entails, and no other action will be taken by the Borrower and the Subsidiaries that would result in, a violation of Regulations T, U and X of the Board of Governors.

SECTION 3.14. Use of Proceeds. The Borrower will use the proceeds of the Loans to (i) finance the Effective Date Refinancing, (ii) pay fees and expenses incurred in connection with the Effective Date Refinancing and the Transactions and (iii) for working capital in the ordinary course of business and for general corporate purposes of the Borrower and the Subsidiaries.

SECTION 3.15. Ranking of Obligations. The obligations of the Borrower under the Loan Documents rank at least equally with all of the unsubordinated unsecured Indebtedness of the Borrower, and ahead of all subordinated Indebtedness, if any, of the Borrower.

SECTION 3.16. Labor Matters. Except as set forth in Schedule 3.16 and except in the aggregate to the extent the same has not had and could not be reasonably expected to have a Material Adverse Effect, (a) there are no strikes, lockouts, slowdowns or other labor disputes against any Loan Party or any Subsidiary pending or, to the knowledge of the Loan Parties, threatened in writing, and (b) the hours worked by and payments made to employees of the Loan Parties and the Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters.

SECTION 3.17. Subsidiaries. Schedule 3.17 sets forth as of the Effective Date a list of all Subsidiaries of the Borrower, the jurisdiction of their formation or organization, as the case may be, and the percentage ownership interest of such Subsidiary's parent company therein, and such Schedule shall denote which subsidiaries as of the Effective Date are not Guarantors.

SECTION 3.18. Beneficial Ownership Certification. As of (a) the Effective Date, the information included in any Beneficial Ownership Certification delivered pursuant to Section 4.01(g) is true and correct in all respects and (b) as of the date delivered, the information included in any Beneficial Ownership Certification delivered pursuant to Section 5.01(g) is true and correct in all respects.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The effectiveness of this Agreement and the obligations of the Lenders to make Loans and each Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions shall be satisfied (or waived):

- a. The Administrative Agent shall have received a counterpart of this Agreement executed by each party hereto (which, subject to Section 9.06(b), may include any Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page).
- b. The Administrative Agent shall have received written opinions (addressed to the Administrative Agent, the Issuing Banks and the Lenders and dated the Effective Date) of Simpson Thacher & Bartlett LLP, counsel to the Borrower and the Guarantors, in form and substance customary for financings of this type.
- c. The Administrative Agent shall have received a certificate of the Borrower and each Guarantor, dated the Effective Date and executed by the secretary, an assistant secretary or a director of the Borrower and each Guarantor, as applicable, attaching (i) a copy of each organizational document of the Borrower and each Guarantor which shall, to the extent applicable, be certified as of the Effective Date or a recent date prior thereto by the appropriate Governmental Authority, (ii) signature and incumbency certificates of the officers or directors, as applicable, of the Borrower and each Guarantor, as applicable executing each Loan Document, (iii) resolutions of the board of directors or shareholders, as applicable, of the Borrower and each Guarantor, as applicable approving and authorizing the execution, delivery and performance of the Loan Documents, certified as of the Effective Date by such secretary, assistant secretary or director as being in full force and effect without modification or amendment, and (iv) a good

standing certificate (where relevant) from the Secretary of State or similar Governmental Authority of the jurisdiction of organization or formation, if applicable, for the Borrower and each Guarantor, dated the Effective Date or a recent date prior thereto, in each case, in form and substance customary for financings of this type.

d. The Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Responsible Officer of the Borrower, certifying that, as of the Effective Date and after giving effect to the Transactions that are to occur on such date, (i) the representations and warranties of the Borrower and the Guarantors set forth in the Loan Documents are true and correct (A) in the case of the representations and warranties qualified as to materiality, in all respects and (B) otherwise, in all material respects and (ii) no Default or Event of Default has occurred and is continuing.

e. The Administrative Agent shall have received a certificate substantially in the form of Exhibit E from the Borrower, dated the Effective Date and signed by a Responsible Officer of the Borrower.

f. All reasonable out-of-pocket costs, expenses (including reasonable and documented legal fees and expenses of one outside counsel) and fees contemplated by the Loan Documents, or otherwise agreed by the Borrower with the Arrangers, to be reimbursable or payable by or on behalf of the Borrower to the Arrangers (or their Affiliates), the Administrative Agent or the Lenders shall have been paid on or prior to the Effective Date, in each case, to the extent required to be paid on or prior to the Effective Date and, in the case of such costs and expenses, invoiced at least three (3) Business Days prior to the Effective Date.

g. The Lenders shall have received at least three (3) Business Days prior to the Effective Date, to the extent reasonably requested by the Administrative Agent or any Lender at least ten Business Days prior to the Effective Date, all documentation and other information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act and the Beneficial Ownership Regulation, including, to each Lender that so requests, a Beneficial Ownership Certification to the extent the Borrower qualifies as a “legal entity” customer under the Beneficial Ownership Regulation.

h. The Effective Date Refinancing shall have occurred substantially concurrently with the Transactions.

For purposes of determining compliance with the conditions specified in this Section 4.01, the Administrative Agent, each Issuing Bank and each Lender as of the Effective Date shall, upon the execution and delivery by the Administrative Agent, each such Issuing Bank and each such Lender of their respective signature pages to this Agreement, be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to the Administrative Agent, each such Issuing Bank and each such Lender.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Revolving Credit Event. The obligation of each Lender to make a Loan and of each Issuing Bank to issue, amend, renew or extend Letters of Credit on the occasion of each Borrowing (other than any conversion or continuation of any outstanding Loans) or issuance, amendment,

renewal or extension of Letters of Credit is subject to receipt of the Borrowing Request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower and the Guarantors set forth in the Loan Documents (other than, after the Effective Date, the representations set forth in Sections 3.04(b) and 3.06(a)) shall be true and correct (i) in the case of the representations and warranties qualified as to materiality, in all respects and (ii) otherwise, in all material respects, in each case on and as of the date of such Borrowing, except in the case of any such representation or warranty that expressly relates to a prior date, in which case such representation or warranty shall be so true and correct (i) in the case of the representations and warranties qualified as to materiality, in all respects and (ii) otherwise, in all material respects, in each case, on and as of such prior date.

(b) At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred and be continuing.

On the date of any Borrowing (other than any conversion or continuation of any outstanding Loans and any amendment to any Letter of Credit that increases or extends such Letter of Credit), the Borrower shall be deemed to have represented and warranted that the conditions specified in paragraphs (a) and (b) of this Section have been satisfied.

ARTICLE V

Affirmative Covenants

The Borrower and the Guarantors covenant and agree with each Lender and each Issuing Bank that, until the Termination Date:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent, on behalf of each Lender:

(a) within 90 days after the end of each fiscal year of the Borrower, commencing with the fiscal year ending December 31, 2022, its audited consolidated balance sheet and related consolidated statements of operations, shareholders' equity and cash flows as of the end of and for such fiscal year, setting forth in each case in comparative form the figures for the prior fiscal year, all audited by and accompanied by the opinion of PricewaterhouseCoopers LLP or another independent registered public accounting firm of recognized national standing (without a "going concern" or like qualification or exception (other than any qualification or exception with respect to or resulting from (i) an upcoming scheduled final maturity of any Loans or other Indebtedness occurring within one year from the time such opinion is delivered or (ii) any prospective or actual default or event of default under any financial covenant hereunder or a financial covenant in any other Indebtedness) and without any qualification, exception or emphasis as to the scope of such audit) to the effect that such consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Borrower and its consolidated Subsidiaries on a consolidated basis as of the end of and for such year in accordance in all material respects with GAAP;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its consolidated balance sheet as of the end of such fiscal quarter, the related consolidated statements of operations for such fiscal quarter and the then elapsed portion of the fiscal year and the related statements of cash flows for the then elapsed portion of the fiscal

year, in each case setting forth in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the prior fiscal year, all certified by a Financial Officer of the Borrower as presenting fairly, in all material respects, the financial position, results of operations and cash flows of the Borrower and its consolidated Subsidiaries on a consolidated basis as of the end of and for such fiscal quarter and such portion of the fiscal year in accordance with in all material respects GAAP, subject to normal year-end audit adjustments and the absence of certain footnotes;

(c) concurrently with each delivery of financial statements under clause (a) or (b) above, a completed Compliance Certificate signed by a Financial Officer of the Borrower, (i) certifying as to whether a Default has occurred and is continuing on such date and, if a Default has occurred and is continuing on such date, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.06(a) and (b);

(d) concurrently with any delivery of financial statements under clause (a) above and within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, the Borrower shall provide unaudited financial statements of corresponding character and for dates and periods as in clauses (a) and (b) covering, to the extent consolidated, the VIEs, in each case together with a consolidating statement reflecting eliminations or adjustments required to reconcile the financial statements of such VIEs, as applicable, to the financial statements delivered pursuant to such clauses (a) and (b);

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Borrower or any Subsidiary with the SEC or with any national securities exchange;

(f) promptly after any request therefor, such other information (i) regarding the operations, business affairs, assets, liabilities and financial condition of the Borrower or any Subsidiary (subject to the limitations described in the last sentence of Section 5.07), or compliance with the terms of any Loan Documents, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request in writing and (ii) regarding sustainability matters and practices of the Borrower or any Subsidiary (including with respect to corporate governance, environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery), as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request for purposes of compliance with any legal or regulatory requirement applicable to it; and

(g) promptly following any request therefor, provide information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the USA PATRIOT Act and the Beneficial Ownership Regulation.

Notwithstanding anything to the contrary in this Section 5.01, none of the Borrower nor any Subsidiary will be required to disclose or permit the inspection or discussion of, any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (iii) that is subject to attorney client or similar privilege or constitutes attorney work product.

Information required to be delivered pursuant to clause (a), (b), (d) or (e) of this Section shall be deemed to have been delivered to the Lenders if such information, or one or more annual or quarterly reports containing such information, shall have been posted by the Administrative Agent on an IntraLinks or similar site to which the Lenders have been granted access or shall be available on the website of the SEC at <http://www.sec.gov> or on the website of the Borrower. Information required to be delivered pursuant to this Section to the Administrative Agent may also be delivered by electronic communications pursuant to procedures approved by the Administrative Agent.

SECTION 5.02. Notices of Material Events. Promptly after any Responsible Officer of the Borrower or any Guarantor obtains actual knowledge thereof, the Borrower will furnish to the Administrative Agent written notice of the following:

- (a) the occurrence of, or receipt by the Borrower or any Guarantor of any written notice claiming the occurrence of, any Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against the Borrower or any Subsidiary, or any adverse development in any such pending action, suit or proceeding not previously disclosed in writing by the Borrower to the Administrative Agent and the Lenders, that in each case has a reasonable likelihood of an adverse determination and such determination would reasonably be expected to result in a Material Adverse Effect or that in any manner questions the validity of any Loan Document;
- (c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred would reasonably be expected to result in a Material Adverse Effect; or
- (d) any other development that has resulted, or would reasonably be expected to result, in a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower and each Guarantor will, and will cause each Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect (a) its legal existence and (b) the rights, licenses, permits, privileges and franchises material to the conduct of the business of the Borrower and its Subsidiaries taken as a whole, except, in the case of this clause (b), where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any transaction permitted under Article VI.

SECTION 5.04. Payment of Taxes. The Borrower and each Guarantor will, and will cause each Subsidiary to, pay its Taxes before the same shall become delinquent or in default by more than forty-five (45) days, except where (a) (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the Borrower or such Subsidiary has set aside on its books reserves with respect thereto to the extent required by GAAP and (iii) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation or (b) the failure to make payment would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties and Rights. The Borrower and each Guarantor will, and will cause each Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear and casualty and condemnation excepted, and will take all actions reasonably necessary to maintain and protect all patents, trademarks, copyrights, technology, software, domain names and other intellectual property rights (including licenses thereto) necessary to the conduct of its business as currently conducted and proposed to be conducted, except in each case (i) for the lapse or expiration of registered intellectual property rights at the end of the applicable statutory term, or (iii) where the failure to maintain or take any such actions, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any transaction permitted under Article VI.

SECTION 5.06. Insurance. The Borrower and each Guarantor will, and will cause each Subsidiary to, maintain, with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and reputable (including captive insurance subsidiaries), insurance in such amounts (with no greater risk retention) and against such risks as is customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.07. Books and Records; Inspection and Audit Rights. The Borrower and each Guarantor will, and will cause each Subsidiary to, keep proper books of record and account in which full, true and correct entries in accordance, in all material respects, with GAAP and applicable law are made of all material dealings and transactions in relation to its business and activities. The Borrower and each Guarantor will, and will cause each Subsidiary to, permit the Administrative Agent (acting on its own behalf or on behalf of any of the Lenders), and any agent designated by the Administrative Agent, solely during the existence of an Event of Default, upon reasonable prior notice, (a) to visit and reasonably inspect its properties, (b) to examine and make extracts from its books and records and (c) to discuss its operations, business affairs, assets, liabilities and financial condition with its officers and independent accountants, all at such reasonable times during normal business hours and as often as reasonably requested; provided that the Administrative Agent collectively may not exercise such rights more often than once during any calendar year and the Administrative Agent (or any of their agents) may do any of the foregoing (at the reasonable expense of the Borrower) at any time during normal business hours and upon reasonable advance notice. The Administrative Agent shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent accountants. Notwithstanding anything to the contrary in this Section, neither the Borrower nor any Subsidiary shall be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent (or its agents) is prohibited by applicable law or any binding confidentiality agreement between the Borrower or any Subsidiary and a Person that is not the Borrower or any Subsidiary not entered into in contemplation of preventing such disclosure, inspection, examination or discussion or (iii) is subject to attorney-client or similar privilege or constitutes attorney work-product.

SECTION 5.08. Compliance with Laws. The Borrower and each Guarantor will, and will cause each Subsidiary to, comply with all laws, including all Environmental Laws and ERISA, and all orders of any Governmental Authority, applicable to it, its operations or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The Borrower and each Guarantor will maintain in effect and enforce policies and procedures reasonably designed to promote compliance by the Borrower, the Subsidiaries and their respective directors, officers, employees and agents (in each case, in their respective capacities as such) with Anti-Corruption Laws and Sanctions.

SECTION 5.09. Use of Proceeds.

(a) The proceeds of the Loans will be used (a) on the Effective Date to (i) finance the Effective Date Refinancing, (ii) finance in part the other Transactions, (iii) pay fees and expenses incurred in connection with the Effective Date Refinancing and the Transactions and (b) on and after the Effective Date used for working capital in the ordinary course of business and general corporate purposes of the Borrower and the Subsidiaries.

(b) The Borrower will not request any Borrowing or Letter of Credit, and the Borrower will not use, and will procure that the Subsidiaries and its or their respective directors, officers, employees and agents will not use, directly or, to its knowledge, indirectly, the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent such activities, business or transaction are prohibited by Sanctions (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto, or (iv) to purchase or carry margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock or for any other purpose that would result in a violation of Regulations T, U and X of the Board of Governors.

SECTION 5.10. Guaranty.

(a) The payment and performance of the Obligations of the Borrower shall be unconditionally guaranteed by each Subsidiary (other than a Foreign Subsidiary or an Excluded Subsidiary), in each case, pursuant to Article X hereof or pursuant to one or more supplements hereto or other guaranty agreements in form and substance reasonably acceptable to the Administrative Agent, as the same may be amended, modified or supplemented from time to time (individually a “Guaranty” and collectively the “Guarantees”; each Subsidiary party to this Agreement and each additional Subsidiary, upon the execution and delivery of the applicable Guaranty, a “Guarantor” and collectively the “Guarantors”).

(b) In the event that (x) any Subsidiary (other than a Foreign Subsidiary or an Excluded Subsidiary) is acquired or created or ceases to be an Excluded Subsidiary after the Effective Date or (y) the Borrower (in its sole discretion) otherwise elects to designate a Subsidiary as a Guarantor after the Effective Date, the Borrower shall cause such Person to execute and deliver to the Administrative Agent, (i) within 60 days after acquisition, creation or cessation in the case of clause (x) and (ii) at the time of designation in the case of clause (y), an Additional Guarantor Supplement substantially in the form attached as Exhibit F or such other form reasonably acceptable to the Administrative Agent, and the Borrower shall also deliver to the Administrative Agent, or cause such Person to deliver to the Administrative Agent, at the Borrower’s cost and expense, such other instruments, documents, certificates and opinions of the type delivered on the Effective Date pursuant to Section 4.01(b), 4.01(c) and 4.01(d), to the extent reasonably required by the Administrative Agent in connection therewith.

(c) Upon delivery of written notice to the Administrative Agent by a Responsible Officer of the Borrower certifying that, as to a particular Guarantor, (i) such Guarantor is electing (in its sole discretion) to be released from its Guarantee hereunder and (ii) the conditions set forth in clause (a) that would require such Guarantor to remain a Guarantor do not apply or, after giving effect to any substantially concurrent transactions, including any repayment of Indebtedness or release of a guaranty, will not apply, or such Guarantor is, or after giving effect to any substantially concurrent transactions will be, an Excluded Subsidiary, such Guarantor shall be automatically released from its obligations (including its Guaranty) hereunder without further required action by any Person; *provided* that,

notwithstanding the foregoing, no Guarantor shall cease to be a Guarantor solely as a result of such Guarantor becoming an Excluded Subsidiary pursuant to clause (a) of the definition thereof if the transaction by which such Guarantor would become an Excluded Subsidiary was not entered into in connection with a sale or disposition of the Equity Interests of such Guarantor for fair market value to a third party that is not an Affiliate (or Related Party) of the Borrower for a bona fide business purpose. The Administrative Agent, at the Borrower's expense, shall execute and deliver to the applicable Guarantor any documents or instruments as such Guarantor may reasonably request to evidence the release of such Guaranty.

(d) For the avoidance of doubt, in the event any Guarantor is released from its Guarantee pursuant to clause (c) above, the requirements of Section 5.10(a) shall no longer apply going forward with respect to such former Guarantor (and Section 5.10(a) shall not cause any springing Guarantee with respect to such released Guarantor after such release occurs).

SECTION 5.11. [Reserved]

SECTION 5.12. [Reserved]

SECTION 5.13. Transactions with Affiliates. The Borrower and the Guarantors will not, and will cause its Subsidiaries to not, engage in transactions by or among the Borrower and the Guarantors, sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, involving aggregate payments or consideration in excess of \$25,000,000 in any fiscal year unless:

(a) such transaction is on terms that are not materially less favorable to the Borrower or the relevant Subsidiary than those that would have been obtained in a comparable transaction by the Borrower or such Subsidiary with an unrelated Person on an arm's-length basis.

(b) The foregoing provisions will not apply to the following:

(i) transactions among the Borrower and its Subsidiaries or any entity that becomes a Subsidiary as a result of such transaction;

(ii) [Reserved];

(iii) the Transactions and the payment of the Transaction Expenses;

(iv) issuances by the Borrower and its Subsidiaries of Equity Interests not prohibited under this Agreement;

(v) reasonable and customary fees payable to any directors of the Borrower and its Subsidiaries (or any direct or indirect parent of the Borrower) and reimbursement of reasonable out-of-pocket costs of the directors of the Borrower and its subsidiaries (or any direct or indirect parent of the Borrower) in the ordinary course of business, in the case of any direct or indirect parent to the extent reasonably attributable to the ownership or operations of the Borrower and its Subsidiaries);

(vi) expense reimbursement and employment, severance and compensation arrangements entered into by the Borrower and its Subsidiaries with their officers, employees and consultants in the ordinary course of business, including, without limitation, the payment of stay bonuses and incentive compensation and/or such officer's, employee's or consultant's equity investment in certain Subsidiaries;

- i. payments by the Borrower and its Subsidiaries to each other pursuant to tax sharing agreements on customary terms (including, without limitation, transfer pricing initiatives);
- ii. the payment of reasonable and customary indemnities to directors, officers and employees of the Borrower and its Subsidiaries (or any direct or indirect parent of the Borrower) in the ordinary course of business, in the case of any direct or indirect parent to the extent attributable to the operations of the Borrower and its Subsidiaries;
- iii. transactions pursuant to permitted agreements in existence on the Effective Date and disclosed to the Lenders prior to the Effective Date and any amendment thereto to the extent such an amendment is not adverse to the interests of the Lenders in any material respect;
- iv. [reserved];
- v. [reserved];
- vi. loans and other transactions among the Borrower and its Subsidiaries (and any direct and indirect parent company of the Borrower) to the extent permitted under this Article V;
- vii. the existence of, or the performance by the Borrower or any of its Subsidiaries of its obligations under the terms of, any stockholders agreement, principal investors agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Effective Date and any similar agreements entered into thereafter; provided, however, that the existence of, or the performance by the Borrower or any of its Subsidiaries of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Effective Date shall only be permitted by this clause (xiii) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Lenders when taken as a whole;
- viii. transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business which are fair to the Borrower and its Subsidiaries, in the reasonable determination of the board of directors of the Borrower or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;
- ix. sales of accounts receivable, or participations therein, by any Subsidiary that is not a Guarantor in connection with any Receivables Facility;
- x. payments or loans (or cancellation of loans) to employees or consultants of the Borrower, any of its direct or indirect parent companies or any of its Subsidiaries which, for any such payments or loans in excess of \$1,000,000, are approved by a majority of the board of directors of the Borrower in good faith; and
- xi. transactions among Foreign Subsidiaries for tax planning and tax efficiency purposes.

ARTICLE VI

Negative Covenants

Each of the Borrower and the Guarantors covenants and agrees with each Lender and each Issuing Bank that, until the Termination Date:

SECTION 6.01. Limitation on Non-Guarantor Subsidiary Indebtedness and Issuance of Non- Guarantor Preferred Stock.

(a) The Borrower and the Guarantors will not permit any Subsidiary that is not a Guarantor to create, incur, assume, guarantee or permit to exist, with respect to (collectively, “incur”) any Non- Guarantor Indebtedness (including Acquired Debt).

(b) The foregoing restriction shall not apply to the following items:

(i) Indebtedness existing on the Effective Date that either is set forth on Schedule 6.01 or has a committed or principal amount of not greater than \$25,000,000 individually and \$50,000,000 in the aggregate;

(ii) any Indebtedness of a Person existing at the time such Person is merged into or consolidated with or otherwise acquired by the Borrower or any Subsidiary or at the time of a sale, lease or other disposition of the properties and assets of such Person (or a division or line of business thereof) as an entirety or substantially as an entirety to any Subsidiary and is assumed by such Subsidiary; provided that such Indebtedness was not incurred in contemplation thereof;

(iii) any Indebtedness of a Person existing at the time such Person becomes a Subsidiary; provided that such Indebtedness was not incurred in contemplation thereof;

(iv) Indebtedness incurred by any Subsidiary in respect of letters of credit, bank guarantees and similar instruments issued in the ordinary course of business, including without limitation (A) in respect of workers’ compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement type obligations regarding workers’ compensation claims, (B) in the nature of security deposit (or similar deposit or security) given to a lessor under an operating lease of real property under which such Person is a lessee, (C) in respect of other operating purposes, including customer or vendor obligations or (D) in respect of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and obligations of a like nature and other obligations that do not constitute Indebtedness; provided, however, that upon the drawing of such letters of credit, bank guarantees, similar instruments or the incurrence of such Indebtedness, such obligations are reimbursed within 60 days following such drawing or incurrence;

(v) Indebtedness arising from agreements of a Subsidiary providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, in each case, in connection with any joint ventures or minority investments or incurred or assumed in connection with the disposition or acquisition of a portion or all of any business line or division, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

i. Indebtedness of a Subsidiary owed to and held by the Borrower, or any other Subsidiary; provided, however, that any subsequent issuance or transfer of any Equity Interests or any other event that results in any such Subsidiary ceasing to be a Subsidiary or any subsequent transfer of any such Indebtedness (except to the Borrower or a Subsidiary or any pledge of such Indebtedness constituting a Lien permitted pursuant to Section 6.02 hereof) shall be deemed, in each case, to constitute the incurrence of such Indebtedness not permitted by this clause (vi);

ii. endorsements for collection, deposit or negotiation and warranties of products or services, in each case incurred in the ordinary course of business;

iii. Hedging Obligations and/or Cash Management Obligations of any Subsidiary (excluding Hedging Obligations entered into for speculative purposes);

iv. obligations in respect of customs, stay, bid, appeal, performance and surety bonds, appeal bonds and other similar types of bonds and performance and completion guarantees and other obligations of a like nature provided by any Subsidiary or obligations in respect of letters of credit related thereto, in each case in the ordinary course of business or consistent with past practice;

v. (x) any guarantee by a Subsidiary or any co-issuance by a Subsidiary that is a finance corporation formed for the sole purpose of acting as a co-issuer of debt securities and which does not have any material assets, in each case, of Indebtedness or other obligations of any Subsidiary so long as the incurrence of such Indebtedness or other obligations incurred by such Subsidiary or for which such Subsidiary is acting as a co-issuer, as applicable, is not prohibited under the terms of this Agreement and (y) any guarantee by a Subsidiary or any co-issuance by a Subsidiary that is a finance corporation formed for the sole purpose of acting as a co-issuer of debt securities and which does not have any material assets, in each case, of Indebtedness or other obligations of the Borrower so long as the incurrence of such Indebtedness or other obligations is not prohibited under the terms of this Agreement;

vi. any extension, renewal, replacement, refinancing or refunding of any Indebtedness referred to in clauses (i), (ii) and (iii); provided that the principal amount of the Indebtedness incurred to so extend, renew, replace, refinance or refund shall not exceed (w) the principal amount of Indebtedness being extended, renewed, replaced, refinanced or refunded plus (x) any premium or fee (including tender premiums) or other amount paid, and fees and expenses incurred, in connection with such extension, renewal, replacement, refinancing or refunding, plus (y) an amount equal to any existing unutilized commitment relating to such extended, renewed, replaced, refinanced or refunded Indebtedness, solely to the extent such unutilized commitment is permitted to be drawn immediately prior to the incurrence of such extended, renewed, replaced, refinanced or refunded Indebtedness, and (z) other amounts permitted to be incurred in accordance with any other clause in this Section 6.01(b) (solely to the extent increases pursuant to this clause (z) reduce capacity, on a dollar-for-dollar basis, available to be incurred pursuant to such other clause);

vii. Cash Management Obligations and Indebtedness in respect of netting services, overdraft facilities, employee credit card programs, Cash Pooling Arrangements or similar arrangements in connection with cash management and deposit accounts;

viii. Indebtedness representing deferred compensation to employees of the Borrower or any Subsidiary incurred in the ordinary course of business;

- i. Indebtedness arising from the honoring by a bank or financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within 30 days of its incurrence;
- ii. Indebtedness owing to any insurance company in connection with the financing of insurance premiums permitted by such insurance company in the ordinary course of business;
- iii. [reserved];
- iv. [reserved];
- v. Indebtedness issued to future, current or former officers, directors, employees and consultants of such Subsidiary or any direct or indirect parent thereof, their respective estates, heirs, family members, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Borrower, a Subsidiary or any of their respective direct or indirect parent companies;
- vi. Indebtedness of any Foreign Subsidiary or of any foreign Persons that are acquired by the Borrower or any Subsidiary or merged into a Subsidiary that is a Foreign Subsidiary in accordance with the terms of this Agreement; provided that the aggregate amount outstanding of any such Indebtedness shall not at any time exceed \$200,000,000;
- vii. Indebtedness (i) incurred to finance or refinance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations, provided that such Indebtedness is incurred prior to or within 270 days after such acquisition or the completion of such construction or improvement and the principal amount of such Indebtedness does not exceed the cost of acquiring, constructing or improving such fixed or capital assets, or (ii) assumed in connection with the acquisition of any fixed or capital assets, and, in each case, any renewals, replacements, extensions or refinancings thereof; provided that the principal amount of such Indebtedness is not increased at the time of such renewal, replacement, extension or refinancing thereof except by (x) an amount equal to any premium or other amount paid, and fees and expenses incurred, in connection with such renewal, extension, replacement or refinancing, plus (y) an amount equal to any existing unutilized commitment relating to such extended, renewed, replaced or refinanced Indebtedness, solely to the extent such unutilized commitment is permitted to be drawn immediately prior to the incurrence of extended, renewed, replaced or refinanced Indebtedness, plus (z) other amounts permitted to be incurred in accordance with any other clause in this Section 6.01(b) (solely to the extent increases pursuant to this clause (z) reduce capacity, on a dollar-for-dollar basis, available to be incurred pursuant to such other clause); provided, further, that the aggregate principal amount of Indebtedness incurred pursuant to this clause (xx) does not exceed \$500,000,000; and
- viii. other Non-Guarantor Indebtedness; provided that at the time of and after giving pro forma effect to the incurrence of any such Non-Guarantor, the sum, without duplication, of (i) the aggregate principal amount of Non-Guarantor Indebtedness incurred pursuant to this clause (xxi), (ii) the aggregate principal amount of the outstanding Indebtedness secured by Liens permitted by Section 6.02(k) and (iii) the Attributable Debt in respect of all outstanding Sale/Leaseback Transactions permitted by Section 6.03, does not exceed the greater of \$1,750,000,000 and 10% of Total Assets.

For purposes of determining compliance with any dollar-denominated restriction on the incurrence of Indebtedness, the Dollar Equivalent principal amount of Indebtedness denominated in a

foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced.

For purposes of determining compliance with this Section 6.01, if any item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses (i) through (xxi) above, the Borrower shall, in its sole discretion, classify such item of Indebtedness (or any portion thereof) and may include the amount and type of such Indebtedness in one or more of the above clauses, and the Borrower may later reclassify such item of Indebtedness (or any portion thereof) and include it in another of such clauses in which it could have been included at the time it was incurred.

SECTION 6.02. Liens. The Borrower and the Guarantors will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Liens;

(b) any Lien on any asset of the Borrower or any Subsidiary existing on the Effective Date and that either is set forth on Schedule 6.02 or encumbers property or assets with a fair market value, and securing obligations having a committed or principal amount, in each case, of not greater than \$25,000,000 individually or \$50,000,000 in the aggregate; provided that (i) such Lien shall not apply to any other asset of the Borrower or any Subsidiary (other than improvements, proceeds or accessions thereto and the proceeds thereof) and (ii) such Lien shall secure only those obligations that it secures on the Effective Date and extensions, replacements, renewals and refinancings thereof that do not increase the outstanding principal amount thereof except by an amount equal to (x) any premium or other amount paid, and fees and expenses incurred, in connection with such extension, renewal or refinancing, plus (y) an amount equal to any existing unutilized commitment relating to such extended, renewed, replaced, refinanced or refunded Indebtedness, solely to the extent such unutilized commitment is permitted to be drawn immediately prior to the incurrence of such extended, renewed, replaced, refinanced or refunded Indebtedness, and (z) other amounts permitted to be incurred in accordance with any other clause in this Section 6.02 (solely to the extent increases pursuant to this clause (b) reduce capacity, on a dollar-for-dollar basis, available to be incurred pursuant to such other clause); provided, further, that individual financings otherwise permitted to be secured hereunder provided by any Person (or its Affiliates) may be cross-collateralized to other such financings provided by such Person (or its Affiliates);

(c) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Subsidiary securing Indebtedness, including Capital Lease Obligations, or other obligations incurred to finance such acquisition, construction or improvement and extensions, replacements, renewals and refinancings thereof that do not increase the outstanding principal amount thereof except by (x) an amount equal to any premium or other amount paid, and fees and expenses incurred, in connection with such extension, replacement, renewal or refinancing, plus (y) an amount equal to any unutilized commitment relating to such extended, renewed, replaced, or refinanced Indebtedness or obligations, solely to the extent such unutilized commitment is

permitted to be drawn immediately prior to the incurrence of such extended, renewed, replaced, or refinanced Indebtedness or obligations and (z) other amounts permitted to be incurred in accordance with any other clause in this Section 6.02 (solely to the extent increases pursuant to this clause (z) reduce capacity, on a dollar-for-dollar basis, available to be incurred pursuant to such other clause); provided that (i) such Liens and the Indebtedness secured thereby are incurred prior to or within 270 days after such acquisition or the completion of such construction or improvement, (ii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iii) such Liens shall not apply to any other assets of the Borrower or any Subsidiary (other than improvements, proceeds or accessions thereto and the proceeds thereof), provided further that individual financings of equipment or other fixed or capital assets otherwise permitted to be secured hereunder provided by any Person (or its Affiliates) may be cross-collateralized to other such financings provided by such Person (or its Affiliates);

a. any Lien on any asset acquired by the Borrower or any Subsidiary after the Effective Date existing at the time of the acquisition thereof or existing on any asset of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged, amalgamated or consolidated with or into the Borrower or a Subsidiary in a transaction permitted hereunder) after the Effective Date and prior to the time such Person becomes a Subsidiary (or is so merged, amalgamated or consolidated), provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary (or such merger, amalgamation or consolidation), as the case may be, (ii) such Lien shall not apply to any other assets of the Borrower or any Subsidiary (other than improvements, proceeds or accessions thereto and the proceeds thereof) and (iii) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary (or is so merged, amalgamated or consolidated), as the case may be, and extensions, replacements, renewals and refinancings thereof that do not increase the outstanding principal amount thereof except by (x) an amount equal to any premium or other amount paid, and fees and expenses incurred, in connection with such extension, renewal or refinancing plus (y) an amount equal to any existing unutilized commitment relating to such extended, renewed or refinanced obligations, solely to the extent such unutilized commitment is permitted to be drawn immediately prior to the incurrence of such extended, renewed or refinanced obligations, and (z) other amounts permitted to be incurred in accordance with any other clause in this Section 6.02 (solely to the extent increases pursuant to this clause (z) reduce capacity, on a dollar-for-dollar basis, available to be incurred pursuant to such other clause); provided further that individual financings otherwise permitted to be secured hereunder provided by any Person (or its Affiliates) may be cross-collateralized to other such financings provided by such Person (or its Affiliates);

b. in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under Section 6.04, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

c. in the case of (i) any Subsidiary that is not a wholly owned Subsidiary or (ii) the Equity Interests in any Person that is not a Subsidiary, any encumbrance or restriction, including any put and call arrangements, related to Equity Interests in such Subsidiary or such other Person set forth in the organizational documents of such Subsidiary or such other Person or any related joint venture, shareholders' or similar agreement;

d. Liens solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by the Borrower or any Subsidiary in connection with any letter of intent or purchase agreement for an Acquisition or other transaction permitted hereunder;

- a. Liens deemed to exist in connection with Sale/Leaseback Transactions set forth on Schedule 6.03 or permitted by Section 6.03(a);
- b. (i) deposits made in the ordinary course of business to secure obligations to insurance carriers providing casualty, liability or other insurance to the Borrower and the Subsidiaries and (ii) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;
- c. Liens on the net cash proceeds of any Acquisition Indebtedness held in escrow by a third party escrow agent prior to the release thereof from escrow;
- d. other Liens, provided that at the time of and after giving pro forma effect to the incurrence of any such Lien (or any Indebtedness secured thereby and the application of the proceeds thereof), the sum, without duplication, of (i) the aggregate principal amount of Non-Guarantor Indebtedness incurred pursuant to Section 6.01(b)(xxi), (ii) the aggregate principal amount of the outstanding Indebtedness secured by Liens permitted by this clause (k) and (iii) the Attributable Debt in respect of all outstanding Sale/Leaseback Transactions permitted by Section 6.03, does not exceed the greater of \$1,750,000,000 and 10% of Total Assets;
- e. [Reserved];
- f. Liens on inventory or equipment of the Borrower or any of its Subsidiaries granted in the ordinary course of business to the Borrower's or such Subsidiary's vendors, clients, customers, landlords or bailees;
- g. [Reserved];
- h. Liens on accounts receivable and related assets incurred in connection with a Receivables Facility; provided that such Liens do not encumber any assets other than the accounts receivable and related assets being financed, the property securing or otherwise relating to such accounts receivable and related assets, and the proceeds thereof;
- i. Liens securing Hedging Obligations so long as, in the case of Hedging Obligations related to interest, the related Indebtedness is secured by a Lien on the same property securing such Hedging Obligations;
- j. Liens arising under repurchase agreements, reverse repurchase agreements, securities lending and borrowing agreements and similar transactions;
- k. Liens arising from precautionary UCC financing statement or similar filings;
- l. Liens (i) in favor of the Borrower or a Subsidiary on assets of a Subsidiary that is not a Guarantor securing permitted intercompany Indebtedness and (ii) in favor of the Borrower or any Guarantor;
- m. ground leases in respect of Real Estate Assets on which facilities owned or leased by the Borrower or any of its Subsidiaries are located;
- n. (i) zoning, building, entitlement and other land use regulations by Governmental Authorities with which the normal operation of the business complies, and (ii) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the

use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries, taken as a whole;

a. Liens arising by operation of law in the United States under Article 2 of the UCC in favor of a reclaiming seller of goods or buyer of goods;

b. Liens on amounts deposited as "security deposits" (or their equivalent) in the ordinary course of business in connection with actions or transactions not prohibited by this Agreement; and

c. Liens on cash collateral securing any letters of credit in an aggregate face amount at any time outstanding not to exceed \$75,000,000.

For purposes of determining compliance with this Section 6.02, if any Lien (or any portion thereof) meets the criteria of more than one of the categories of Liens described in clauses (a) through (p) above and/or one or more of the clauses contained in the definition of "Permitted Liens", the Borrower shall, in its sole discretion, classify such Lien (or such portion thereof) and may include such Lien (or such portion thereof) in one or more of such clauses, and the Borrower may later reclassify such Lien (or any portion thereof) and include it in another of such clauses in which it could have been included at the time it was incurred (but, except as set forth below with respect to clause (k), not into any clause under which it could not have been included at the time it was incurred) or, solely in the case of clause (k) above, at the time of such reclassification.

SECTION 6.03. Sale/Leaseback Transactions. The Borrower and the Guarantors will not, and will not permit any Subsidiary to, enter into any Sale/Leaseback Transaction, except Sale/Leaseback Transactions set forth on Schedule 6.03 and the following:

(a) any Sale/Leaseback Transaction entered into to finance the acquisition or construction of any fixed or capital assets by the Borrower or any Subsidiary, provided that such Sale/Leaseback Transaction is entered into prior to or within 270 days after such acquisition or the completion of such construction and the Attributable Debt in respect thereof does not exceed the cost of acquiring or constructing such fixed or capital assets; and

(b) other Sale/Leaseback Transactions;

provided that at the time of and after giving pro forma effect to any such Sale/Leaseback Transaction, the sum, without duplication, of (i) the Attributable Debt in respect of all outstanding Sale/Leaseback Transactions permitted under this Section 6.03, (ii) the aggregate principal amount of Non-Guarantor Indebtedness incurred pursuant to Section 6.01(b)(xxi) and (iii) the aggregate principal amount of the outstanding Indebtedness secured by Liens permitted by Section 6.02(k), does not exceed the greater of \$1,750,000,000 and 10% of Total Assets.

SECTION 6.04. Fundamental Changes.

(a) The Borrower and each Guarantor will not, and will not permit any Subsidiary to, amalgamate with, merge into or consolidate with any other Person, or permit any other Person to amalgamate with, merge into or consolidate with it, or liquidate or dissolve, except that if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing and, in the case of clause (D) below, the Borrower shall be in compliance on a pro forma basis with the covenant set forth in Section 6.06, (A) any Person may amalgamate, merge or consolidate with the Borrower in a transaction in which the Borrower is the surviving entity, (B) the Borrower may

amalgamate, merge or consolidate with any Person in a transaction in which such Person is the surviving entity, provided that (1) such Person is a corporation or limited liability company organized under the laws of the United States or any state thereof, (2) prior to or substantially concurrently with the consummation of such amalgamation, merger or consolidation, (x) such Person shall execute and deliver to the Administrative Agent an assumption agreement (the “Assumption Agreement”), in form and substance reasonably satisfactory to the Administrative Agent, pursuant to which such Person shall assume all of the obligations of the Borrower under this Agreement and the other Loan Documents, and (y) such Person shall deliver to the Administrative Agent such documents, certificates and opinions as the Administrative Agent may reasonably request relating to such Person, such amalgamation, merger or consolidation or the Assumption Agreement, and (3) the Lenders shall have received, at least five Business Days prior to the date of the consummation of such amalgamation, merger or consolidation, (x) all documentation and other information regarding such Person required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act, that has been reasonably requested by the Administrative Agent or any Lender and (y) to the extent such Person qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to such Person, it being agreed that upon the execution and delivery to the Administrative Agent of the Assumption Agreement and the satisfaction of the other conditions set forth in this clause (B), such Person shall become a party to this Agreement, shall succeed to and assume all the rights and obligations of the Borrower under this Agreement and the other Loan Documents (including all obligations in respect of outstanding Loans) and shall thenceforth, for all purposes of this Agreement and the other Loan Documents, be the “Borrower”, (C) any Person (other than the Borrower) may amalgamate, merge or consolidate with any Subsidiary in a transaction in which the surviving entity is a Subsidiary, (D) any Subsidiary may amalgamate with, merge into or consolidate with any Person (other than the Borrower) in a transaction not prohibited under paragraph (b) of this Section in which, after giving effect to such transaction, the surviving entity is not a Subsidiary, (E) any Person may reincorporate under the laws of the United States, any state thereof or the District of Columbia and (F) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and its Subsidiaries taken as a whole and is not materially disadvantageous to the Lenders.

a. The Borrower and the Guarantors will not, and will not permit its Subsidiaries to, sell, transfer, lease or otherwise dispose of, directly or through any amalgamation, merger or consolidation and whether in one transaction or in a series of transactions, assets (including Equity Interests in Subsidiaries) representing all or substantially all of the assets of the Borrower and its Subsidiaries (whether now owned or hereafter acquired), taken as a whole.

SECTION 6.05. Restrictive Agreements. The Borrower and the Guarantors will not, and will not permit any Subsidiary to enter into, incur or permit to exist any agreement or other arrangement with any Person (other than any such agreements or arrangements between or among the Borrower and the Subsidiaries) that prohibits, restricts or imposes any condition upon the ability of any Subsidiary to pay dividends or other distributions with respect to its Equity Interests or to make or repay loans or advances to the Borrower or any Subsidiary, in each case, except to the extent the Borrower has reasonably determined that such agreement or arrangement will not materially impair the Borrower’s ability to make payments under this Agreement when due; provided that the foregoing shall not apply to (a) prohibitions, restrictions or conditions imposed by law or by the Loan Documents, (b) prohibitions, restrictions or conditions contained in, or existing by reason of, any agreement or instrument set forth on Schedule 6.05 (but shall apply to any amendment or modification expanding the scope of any such prohibition, restriction or condition), (c) prohibitions, restrictions and conditions imposed by its organizational documents or any related joint venture, shareholders’ or similar agreement; provided that such prohibitions, restrictions and conditions apply only to such Subsidiary and to any Equity Interests in such

Subsidiary, (d) customary prohibitions, restrictions and conditions contained in agreements relating to the sale of a Subsidiary that are applicable solely pending such sale; provided that such prohibitions, restrictions and conditions apply only to the Subsidiary that is to be sold, (e) prohibitions, restrictions and conditions imposed by agreements relating to Indebtedness of any Subsidiary in existence at the time such Subsidiary became a Subsidiary and not created in contemplation thereof or in connection therewith (but shall apply to any amendment or modification expanding the scope of any such restriction or condition); provided that such prohibitions, restrictions and conditions apply only to such Subsidiary, (f) prohibitions, restrictions and conditions imposed by agreements relating to any Indebtedness of the Borrower or any Subsidiary permitted hereunder to the extent, in the good faith judgment of the Borrower, such prohibitions, restrictions and conditions, at the time such Indebtedness is incurred, are on customary market terms for Indebtedness of such type, (g) restrictions on cash or other deposits (including escrowed funds) imposed under contracts entered into in the ordinary course of business or restrictions imposed by the terms of a Lien permitted by Section 6.02 on the property subject to such Lien, and (h) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Subsidiary.

SECTION 6.06. Financial Covenants.

(a) The Borrower will not permit the Leverage Ratio on the last day of any fiscal quarter of the Borrower to exceed 3:50 to 1.00; provided that, in the event the Borrower consummates a Qualified Acquisition after the Effective Date, the Borrower may elect (a “Qualified Acquisition Election”) upon notice to the Administrative Agent (which Qualified Election may be made (x) at any time on or prior to the date that the next Compliance Certificate is delivered pursuant to Section 5.01(c) following the consummation of such Qualified Acquisition or (y) in such Compliance Certificate) that the Leverage Ratio level set forth above be (and, subject to this proviso, the Leverage Ratio level set forth above shall be) (1) 4:00 to 1.00 for the next four consecutive fiscal quarters (including the fiscal quarter in which the Qualified Acquisition was consummated) and (2) thereafter, the Leverage Ratio shall be 3:50 to 1.00; provided, further, that (A) the Borrower may not make a Qualified Acquisition Election unless the Borrower has maintained a Leverage Ratio of less than or equal to 3:50 to 1.00 for the two consecutive fiscal quarters immediately preceding the consummation of the applicable Qualified Acquisition and (B) the Borrower shall not be permitted to make a Qualified Acquisition Election more than two times during the term of the Revolving Facility.

(b) The Borrower will not permit the Fixed Charge Coverage Ratio on the last day of any fiscal quarter of the Borrower to be less than 3:00 to 1:00.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default; Remedies. If any of the following events (“Events of Default”) shall occur:

(a) default shall be made in the payment of any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(b) default shall be made in the payment of any interest on any Loan or LC Disbursement or any fee or any other amount (other than an amount referred to in clause (a) of

this Section) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation, warranty or statement made or deemed made in any Loan Document or any amendment or modification thereof or waiver thereunder shall prove to have been, when made or deemed made, (i) if not qualified by materiality, incorrect in any material respect, or (ii) if qualified by materiality, incorrect and in either case, solely to the extent such representation, warranty or statement is capable of being corrected or cured, shall remain incorrect for 30 days after the earlier of (x) the Borrower's knowledge of such default and (y) receipt by the Borrower of written notice thereof from the Administrative Agent;

(d) the Borrower or any Guarantor shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (with respect to the existence of the Borrower) or 5.09 or in Article VI;

(e) the Borrower or any Guarantor shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in clause (a),(b) or (d) of this Section), and such failure shall continue unremedied for a period of 30 days after written notice thereof from the Administrative Agent or any Lender to the Borrower (with a copy to the Administrative Agent in the case of any such notice from a Lender);

(f) any Borrower, any Guarantor or any Subsidiary shall fail to make any payment (whether of principal, interest or otherwise) in respect of any Material Indebtedness, when and as the same shall become due and payable after giving effect to any applicable grace period and notices;

(g) any event or condition occurs that results in any Material Indebtedness becoming due or being terminated or required to be prepaid, repurchased, redeemed or defeased prior to its scheduled maturity, or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf, or, in the case of any Hedging Agreement, the applicable counterparty, to cause (after delivery of any notice if required and after giving effect to any waiver, amendment, cure or grace period) such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, or, in the case of a Hedging Agreement, to terminate any related hedging transaction, in each case prior to its scheduled maturity or termination; provided that this clause (g) shall not apply to (i) any secured Indebtedness that becomes due as a result of the voluntary sale or transfer of, or any casualty with respect to, assets securing such Indebtedness, (ii) any prepayment, repurchase, redemption or defeasance of any Acquisition Indebtedness if the related Acquisition is not consummated, (iii) any Indebtedness that becomes due as a result of a voluntary prepayment, repurchase, redemption or defeasance thereof, or any refinancing thereof, permitted under this Agreement, (iv) in the case of any Hedging Agreement, termination events or equivalent events pursuant to the terms of such Hedging Agreement not arising as a result of a default by the Borrower or any Subsidiary thereunder, (v) any Indebtedness if (x) the sole remedy of the holder thereof in the event of the non-payment of such Indebtedness or the non-payment or non-performance of obligations related thereto or (y) sole option is to elect, in each case, to convert such Indebtedness into Equity Interests and cash in lieu of fractional shares (other than Disqualified Stock or, in the case of a Subsidiary, Disqualified Stock or Preferred Stock), (vi) in the case of Indebtedness which the holder thereof may elect to convert into Equity Interests (other than Disqualified Stock or, in the case of a Subsidiary, Disqualified Stock or Preferred Stock), such Indebtedness from and after the date, if any, on which such conversion has been effected and (vii) any breach or default that is (I)

remedied by the Borrower or the applicable Subsidiary or (II) waived (including in the form of amendment) by the required holders of the applicable item of Indebtedness, in either case, prior to any termination of the Commitments or the acceleration of Loans pursuant to this Section 7.01(g);

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization, moratorium, winding-up or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any United States (Federal or state) or foreign bankruptcy, insolvency, receivership, winding-up or similar law now or hereafter in effect or (ii) the appointment of a receiver, liquidator, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization, winding-up or other relief under any United States (Federal or state) or foreign bankruptcy, insolvency, receivership, winding-up or similar law now or hereafter in effect (other than, in the case of any Subsidiary, a voluntary liquidation or dissolution permitted by Section 6.04(a)(F), (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in sub-clause (i) above, (iii) apply for or consent to the appointment of a receiver, liquidator, trustee, custodian, sequestrator, conservator, administrator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors, or the Board of Directors (or similar governing body) of the Borrower or any Material Subsidiary (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to above in this clause (i) or clause (h) of this Section;

(j) the Borrower or any Material Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more final judgments for the payment of money in an aggregate amount in excess of \$250,000,000 (to the extent not covered by insurance as to which an insurance company has not denied coverage or by an indemnification agreement, with another creditworthy (as reasonably determined by the Borrower) indemnitor, as to which the indemnifying party has not denied liability) shall be rendered against the Borrower, any Material Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Material Subsidiary to enforce any such judgment;

(l) one or more ERISA Events shall have occurred that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) any Guaranty or any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as permitted hereunder or thereunder or satisfaction in full of all the Obligations (other than contingent obligations that survive the

termination of this Agreement), ceases to be in full force and effect other than in accordance with the terms hereof; or the Borrower or any Guarantor contests in writing the validity or enforceability of any Guaranty or any material provision of any Loan Document; or the Borrower or any Guarantor denies in writing that it has any or further liability or obligation under any Guaranty or any material provision of any Loan Document, or in writing purports to revoke, terminate or rescind any Guaranty for any reason other than as expressly permitted hereunder or thereunder;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent, at the request of the Required Lenders, shall by notice to the Borrower, take any or all of the following actions, at the same or different times: (A) terminate the Revolving Commitments and thereupon the Revolving Commitments shall terminate immediately, and (B) declare the Loans then outstanding to be due and payable in whole (or in part (but ratably as among the Loans and/or Commitments at the time outstanding)), in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower hereunder, shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in the case of any event with respect to the Borrower described in clause (h) or (i) of this Section, the Revolving Commitments shall automatically terminate, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower hereunder, shall immediately and automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

The Administrative Agent

Each of the Lenders and Issuing Banks hereby irrevocably appoints the entity named as the Administrative Agent in the heading of this Agreement and its successors to serve in the applicable capacity under the Loan Documents, and authorizes the Administrative Agent to take such actions and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender or Issuing Bank as any other Lender or Issuing Bank and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or Issuing Banks.

The Administrative Agent and the Arrangers, as applicable, shall not have any duties or obligations except those expressly set forth in the Loan Documents, and their duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and the Arrangers or any of their respective Related Parties, as applicable: (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such

term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties), (b) shall not have any duty to take any discretionary action or to exercise any discretionary power, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent are required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders, Issuing Banks or Swingline Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents), provided that the Administrative Agent may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been; provided, further, that the Administrative Agent shall not be required to take any action that, in its opinion, could expose the Administrative Agent to liability or be contrary to any Loan Document or applicable law, (c) shall not have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender, Issuing Bank, Swingline Lender or any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or any of its Affiliates, that is communicated to, obtained or in the possession of, the Administrative Agent, the Arrangers or any of their Related Parties in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders, Issuing Banks or Swingline Lenders by the Administrative Agent herein, (d) shall not be liable for any action taken or not taken by it or its Related Parties with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders, Issuing Banks or Swingline Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment), (e) shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a "notice of default") is given to the Administrative Agent by the Borrower or any Lender, Issuing Bank or Swingline Lenders, and shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent's or each Arranger's reliance on any Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent.

The Administrative Agent shall be entitled to rely, and shall not incur any liability for relying, upon any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it in good faith to be genuine and to have been signed, sent or otherwise authenticated by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof). The Administrative Agent also shall be entitled to rely, and shall not incur any liability for relying, upon any statement made to it orally or by telephone and believed by it in good faith to be made by the proper Person (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the signatory, sender or authenticator thereof), and may act upon any such statement prior to receipt of written confirmation thereof. In determining compliance with any condition hereunder to the making of a Loan or issuance of any Letter of Credit that by its terms must be fulfilled to the satisfaction of a Lender or Issuing Bank, as applicable, the Administrative Agent may presume that such condition is satisfactory to such Lender or Issuing Bank, as

applicable, unless the Administrative Agent shall have received notice to the contrary from such Lender or Issuing Bank, as applicable, prior to the making of such Loan or issuance of such Letter of Credit, as applicable. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it with reasonable care, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. Notwithstanding anything herein to the contrary, the Administrative Agent shall not have any liability arising from, or be responsible for any loss, cost or expense suffered on account of,

(i) any errors or omissions in the records maintained by the Administrative Agent as contemplated by Section 9.04(b)(iv) or (ii) any determination by the Administrative Agent that any Lender is a Defaulting Lender, or the effective date of such status, it being further understood and agreed that the Administrative Agent shall not have any obligation to determine whether any Lender is a Defaulting Lender.

The Administrative Agent may perform any of and all its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent (other than a Disqualified Institution). The Administrative Agent and any such sub-agent may perform any of and all their duties and exercise their rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any of its sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence, bad faith or willful misconduct in the selection of such sub-agents.

Subject to the terms of this paragraph, the Administrative Agent may resign at any time from its capacity as such. In connection with such resignation, the Administrative Agent shall give notice of its intent to resign to the Lenders, Issuing Banks and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld, conditioned or delayed) so long as no Event of Default under clause (a), (b), (h) or (i) of Section 7.01 shall have occurred and be continuing, to appoint a successor (other than a Disqualified Institution). If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, then the retiring Administrative Agent may, on behalf of the Lenders, appoint, subject to the Borrower's prior written consent, a successor Administrative Agent, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. If the Person serving as the Administrative Agent is a Defaulting Lender, the Required Lenders or the Borrower may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as the Administrative Agent and, subject to the consent of the Borrower (not to be unreasonably withheld, conditioned or delayed) so long as no Event of Default under clause (a), (b), (h) or (i) of Section 7.01 shall have occurred and be continuing, appoint a successor. Upon the acceptance of its appointment as the Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent (except for any indemnity payments or other amounts owed to it), and the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed by the Borrower and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder

and under the other Loan Documents, and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, provided that (i) all payments required to be made hereunder or under any other Loan Document to the retiring Administrative Agent for the account of any Person other than the retiring Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the retiring Administrative Agent shall also directly be given or made to each Lender.

Following the effectiveness of the Administrative Agent's resignation or removal from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as the Administrative Agent.

Each Lender and Issuing Bank expressly acknowledges that none of the Administrative Agent nor any Arranger has made any representation or warranty to it, and that no act by the Administrative Agent or any Arranger hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of the Borrower or any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Arrangers to any Lender or Issuing Bank as to any matter, including whether the Administrative Agent or the Arrangers have disclosed material information in their (or their Related Parties') possession. Each Lender and Issuing Bank represents to the Administrative Agent and the Arrangers that it has, independently and without reliance upon the Administrative Agent, the Arrangers, any other Lender or Issuing Bank or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and their Subsidiaries, and all applicable bank or other regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Lender and Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arrangers, any other Lender or Issuing Bank or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Each Lender and each Issuing Bank also acknowledges and agrees that none of the Administrative Agent or any Arranger, acting in such capacities, have made any assurances as to (i) whether the Revolving Facility meets such Lender's or Issuing Bank's criteria or expectations with regard to environmental impact and sustainability performance, (ii) whether any characteristics of the Revolving Facility, including the characteristics of the relevant key performance indicators to which the Borrower will link a potential margin step-up or step-down, including their environmental and sustainability criteria, meet any industry standards for sustainability-linked credit facilities and each Lender and Issuing Bank has performed its own independent investigation and analysis of the Revolving Facility and whether the Revolving Facility meets its own criteria or expectations with regard to environmental impact and/or sustainability performance.

In case of the pendency of any proceeding with respect to the Borrower under any United States (Federal or state) or foreign bankruptcy, insolvency, receivership, winding-up or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

a. to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid by the Borrower and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.14, 9.03, 9.17, 9.20 and 9.21) allowed in such judicial proceeding; and

b. to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03).

Each Issuing Bank shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each Issuing Bank shall have all of the benefits and immunities (i) provided to the Administrative Agent in this Article VIII with respect to any acts taken or omissions suffered by such Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Agent" as used in this Article VIII included such Issuing Bank with respect to such acts or omissions and (ii) as additionally provided herein with respect to such Issuing Bank.

Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true: (i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or the Revolving Commitments, (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable, and the conditions of such exemption have been satisfied, with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Revolving Commitments and this Agreement, (iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Revolving Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Revolving Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Revolving Commitments and this Agreement or (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

In addition, unless clause (i) of the immediately preceding paragraph is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in clause

(iv) of the immediately preceding paragraph, such Lender further (a) represents and warrants, as of the date such Person became a Lender party hereto, to and (b) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent, the Arrangers and their Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that: none of the Administrative Agent, the Arrangers or any of their Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

The Administrative Agent and the Arrangers hereby inform the Lenders and the Issuing Banks that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the Transactions in that such Person or an Affiliate thereof (a) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Revolving Commitments and this Agreement, (b) may recognize a gain if it extended the Loans, the Letters of Credit or the Revolving Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Revolving Commitments by such Lender or (c) may receive fees or other payments in connection with the Transactions, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent fees, utilization fees, minimum usage fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the U.S. Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason, including because the appropriate documentation was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective, or if the Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding Tax from such payment, such Lender shall indemnify the Administrative Agent fully, within 10 days after written demand therefor, for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred, whether or not such Tax was correctly or legally imposed or asserted. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any amounts at any time owing to such Lender under this Agreement or any other Loan Document or from any other sources against any amounts due the Administrative Agent under this paragraph. The agreements in this paragraph shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the consummation of the transactions contemplated hereby, the repayment of the Loans and the expiration or termination of the Revolving Commitments, the expiration of any Letter of Credit or the termination of this Agreement or any provision hereof. For the avoidance of doubt, for purposes of this paragraph, the term "Lender" shall include any Issuing Bank and any Swingline Lender.

Notwithstanding anything herein to the contrary, the Arrangers shall not have any duties or obligations under this Agreement or any other Loan Document (except in their capacities, as applicable, as an Administrative Agent or a Lender), but all such Persons shall have the benefit of the indemnities and exculpatory provisions provided for hereunder or thereunder.

The Lenders and the Issuing Banks irrevocably authorize and direct the release of any Guarantor from its obligations under its Guaranty automatically as set forth in Section 5.10(c) and authorize and direct the Administrative Agent to, at the Borrower's expense, execute and deliver to the applicable Guarantor any documents or instruments as such Guarantor may reasonably request to evidence the release of such Guaranty.

Each Lender and each Issuing Bank represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility, (ii) it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender or Issuing Bank, in each case in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender and each Issuing Bank agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon the Administrative Agent, the Arrangers, any Syndication Agent, any Documentation Agent or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such Issuing Bank, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arrangers, any Syndication Agent, any Documentation Agent or any other Lender or Issuing Bank, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date.

Each party's obligations under this Article VIII shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender or an Issuing Bank, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone and subject to paragraph (b) of this Section, all notices and other communications provided

for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, as follows:

- (i) if to the Borrower, the Administrative Agent or Swingline Lender to the address (or fax number) or electronic mail address specified for such Person on Schedule 9.01; and
- (ii) if to any Lender or Issuing Bank, to it at its address (or fax number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by fax shall be deemed to have been given when sent (but if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient); and notices delivered through electronic communications to the extent provided in paragraph (b) of this Section shall be effective as provided in such paragraph.

a. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including email and Internet and intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices under Article II to any Lender if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. Any notices or other communications to the Administrative Agent or the Borrower may be delivered or furnished by electronic communications pursuant to procedures approved in advance by the recipient thereof; provided that approval of such procedures may be limited or rescinded by such Person by written notice to each other such Person. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient; and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

b. Any party hereto may change its address, fax number or email address for notices and other communications hereunder by notice to the other parties hereto.

c. The Administrative Agent may, but shall not be obligated to, make any Communication by posting such Communication on Debt Domain, IntraLinks, SyndTrak or a similar electronic transmission system (the "Platform"). The Platform is provided "as is" and "as available." None of the Administrative Agent nor any of its Related Parties warrants, or shall be deemed to warrant, the adequacy of the Platform, and the Administrative Agent expressly disclaims liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made, or shall be deemed to be made, by the Administrative Agent or any of its Related Parties in connection with the Communications or the Platform. In no event shall the Administrative Agent, any of its Related Parties, the Borrower, any Lender or Issuing Bank have any liability to any other Person party hereto or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise), arising out of the Borrower's or the Administrative Agent's transmission of Communications through the Platform.

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Lender or any Issuing Bank in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) Subject to Section 2.11(b), (c) and (d) and Section 9.02(c) below and except for those actions expressly permitted to be taken by the Administrative Agent, none of this Agreement, any other Loan Document or any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower, the Administrative Agent and the Required Lenders and, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Borrower, in each case with the consent of the Required Lenders; provided that no such agreement shall

(i) increase the Revolving Commitment of any Lender without the written consent of such Lender (but not the Required Lenders) (it being understood that the waiver of any condition precedent, the waiver of any obligation of the Borrower to pay interest at the default rate or the waiver of any Default, Event of Default, mandatory prepayment of the Loans or mandatory reduction of any Revolving Commitments shall not constitute such an extension or increase), (ii) reduce the principal amount of any Loan or any date for reimbursement of an LC Disbursement, or reduce the rate of interest thereon or reduce any fees payable hereunder, without the written consent of each Lender directly and adversely affected thereby (but not the Required Lenders) (it being understood that the waiver of any condition precedent, the waiver of any obligation of the Borrower to pay interest at the default rate or the waiver of any Default, Event of Default, mandatory prepayment of the Loans or mandatory reduction of any Revolving Commitments shall not constitute such an extension or increase), (iii) postpone the scheduled maturity date of any Loan, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Revolving Commitment, without the written consent of each Lender directly and adversely affected thereby (but not the Required Lenders) (subject to an extension of the Maturity Date in accordance with Section 2.18) (it being understood that the waiver of any condition precedent, the waiver of any obligation of the Borrower to pay interest at the default rate or the waiver of any Default, Event of Default, mandatory prepayment of the Loans or mandatory reduction of any Revolving Commitments shall not constitute such an extension or increase), (iv) change Section 2.08, 2.15(b), 2.15(c) or 2.17(e) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby (but not the Required Lenders), (v) change any of the provisions of this paragraph or reduce the percentage set forth in (x) the definition of the term "Required Lenders" or (y) any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender directly and adversely affected thereby (but not the Required Lenders), provided that, with the consent of the Required Lenders, the provisions of this paragraph and the definition of the term "Required Lenders" may be amended to include references to any new class of loans created under this Agreement (or to lenders extending such loans), (vi) release all or substantially all of the Guarantors from their obligations under the Loan Documents without the written consent of each Lender directly and adversely affected thereby (but not the Required Lenders) (except as otherwise provided for in Section 5.10(c) or otherwise in the Loan Documents), (vii) subordinate the Obligations to

any other Indebtedness or obligation without the written consent of each Lender or (viii) change the definition of “Alternative Currency” or “Agreed Currency” without the written consent of each Lender and Issuing Bank directly and adversely affected thereby; provided further that no such agreement shall amend, modify, extend or otherwise affect the rights or obligations of the Administrative Agent, any Issuing Bank or the Swingline Lender in an adverse manner in any material respect without the written consent of the Administrative Agent, such Issuing Bank or the Swing Line Lender, as the case may be.

(c) Notwithstanding anything to the contrary in paragraph (b) of this Section:

(i) (A) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to cure any ambiguity, mistake, omission, defect or inconsistency so long as, in each case, the Lenders shall have received at least five Business Days’ prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment and (B) the Administrative Agent and the Borrower shall be permitted to enter into any new agreement or instrument, to be consistent with this Agreement and the other Loan Documents or as required by local law to give effect to any guaranty, so that the guaranty complies with applicable Law, and in each case, such amendments, documents and agreements shall become effective without any further action or consent of any other party to any Loan Document;

(ii) no consent with respect to any amendment, waiver or other modification of this Agreement or any other Loan Document shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii), (iii) or (iv) of the first proviso of paragraph (b) of this Section and then only in the event such Defaulting Lender shall be directly and adversely affected by such amendment, waiver or other modification;

(iii) if, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender”, “each Lender affected thereby”, or such similar phrase, the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a “Non-Consenting Lender”), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement; provided that, concurrently with such replacement, the Borrower shall pay (or, in the case of clause (1) below, cause to be paid from the assignee) to such Non-Consenting Lender in same day funds on the day of such replacement (1) an amount equal to the outstanding principal amount of such Non-Consenting Lender’s Loans and participations in LC Disbursements, (2) an amount equal to all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination and (3) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.13 (if any) had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender. Each party hereto agrees that (a) an assignment required pursuant to this Section 9.02(c)(iii) may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to an be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided, further that any such documents shall be without recourse to or warranty by the parties thereto;

i. this Agreement and the other Loan Documents may be amended in the manner provided in Sections 2.11, 2.18 and 2.21; and

ii. an amendment to this Agreement contemplated by the last sentence of the definition of the term "Applicable Rate" may be made pursuant to an agreement or agreements in writing entered into by the Borrower, the Administrative Agent and the Required Lenders.

(d) The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, waivers or other modifications on behalf of such Lender. Any amendment, waiver or other modification effected in accordance with this Section shall be binding upon each Person that is at the time thereof a Lender and each Person that subsequently becomes a Lender.

(e) Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (i) to add one or more additional credit facilities to this Agreement, to permit the extensions of credit from time to time outstanding hereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Loans and the accrued interest and fees in respect thereof and to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and (ii) to change, modify or alter Section 2.15 or any other provision hereof relating to pro rata sharing of payments among the Lenders to the extent necessary to effectuate any of the amendments (or amendments and restatements) enumerated in clause (e)(i) above.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Arrangers and their Affiliates (but limited to, in the case of legal fees, the reasonable and documented fees, charges and disbursements of a single external U.S. counsel, and, if reasonably necessary, a single local counsel in each relevant material jurisdiction (which may be a single local counsel acting in multiple jurisdictions), in each case, for the Administrative Agent, the Arrangers and their Affiliates taken as a whole, in connection with the structuring, arrangement and syndication of the credit facilities provided for herein, including the preparation, execution and delivery of this Agreement, the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Arrangers, the Lenders and the Issuing Banks (but limited to, in the case of legal fees, to the fees, charges and disbursements of one external counsel in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made hereunder, including during the continuance of an Event of Default all such reasonable out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans (but limited to a single U.S. counsel, and, if reasonably necessary, a single local counsel in each other relevant material jurisdiction (which may be a single local counsel acting in multiple jurisdictions), in each case, for the Administrative Agent, the Arrangers, the Issuing Banks and the Lenders, taken as a whole and, in the case of an actual or perceived conflict of interest, where the party affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another external firm of U.S. counsel, if reasonably necessary, and, if reasonably necessary, one local counsel in each other relevant material jurisdiction (which may include a single local counsel acting in multiple jurisdictions) for all such affected Persons taken as a whole).

(b) The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), the Arrangers, the Syndication Agents, the Documentation Agents, the Swingline Lender, each Lender, each Issuing Bank and each Related Party of any of the foregoing (each such Person being called an

"Indemnitee") against, and hold each Indemnitee harmless from, any and all Liabilities and related reasonable and documented out-of-pocket expenses, including the fees, charges and disbursements of any counsel for any Indemnitee (but limited to a single U.S. counsel, if reasonably necessary, a single local counsel in each relevant material jurisdiction (which may be a single local counsel acting in multiple jurisdictions), in each case, for the Indemnitees, taken as a whole and, in the case of an actual or perceived conflict of interest, where the Indemnitee affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of U.S. counsel, if reasonably necessary, and, if reasonably necessary, one local counsel in each other relevant material jurisdiction (which may include a single local counsel acting in multiple jurisdictions) for each group of similarly affected Indemnitees (taken as a whole)), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the structuring, arrangement and syndication of the credit facilities provided for herein, the preparation, execution, delivery and administration of this Agreement, the other Loan Documents, the performance by the parties to this Agreement or the other Loan Documents of their obligations thereunder or the consummation of the Transactions, (ii) any Loan or the use of the proceeds therefrom or proposed use of proceeds, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property currently or formerly owned or operated by the Borrower or any Subsidiary (or Person that was formerly a Subsidiary) of any of them, or any other Environmental Liability related in any way to the Borrower or any Subsidiary (or Person that was formerly a Subsidiary) of any of them, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and whether initiated against or by any party to this Agreement or any other Loan Document, any Affiliate of any of the foregoing or any third party (and regardless of whether any Indemnitee is a party thereto); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (1) the gross negligence, bad faith or willful misconduct of such Indemnitee or any of its Related Indemnitee Parties or (2) a material breach of the obligations of such Indemnitee or any of its Related Indemnitee Parties under this Agreement or any other Loan Document or (B) arise from any dispute among the Indemnitees or any of their Related Indemnitee Parties, other than any claim, litigation, investigation or proceeding against the Administrative Agent, the Arrangers, Syndication Agents or Documentation Agents or any other titled person in its capacity or in fulfilling its role as such and other than any claim, litigation, investigation or proceeding arising out of any act or omission on the part of the Borrower or any of its Affiliates. Each Indemnitee shall be obligated to refund and return promptly any and all amounts actually paid by the Borrower to such Indemnitee under this paragraph for any Liabilities or expenses to the extent such Indemnitee is subsequently determined, by a court of competent jurisdiction by final and nonappealable judgment, to not be entitled to payment of such amounts in accordance with the terms of this paragraph. This paragraph shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) To the extent that the Borrower fails to pay any amount required under paragraph (a) or (b) of this Section to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing (and without limiting its obligation to do so), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent). For purposes of this Section, a Lender's "pro rata share" shall be determined based upon its share of the sum of the aggregate amount of the Loans and unused Revolving Commitments at the time outstanding or in effect (or most recently outstanding or in effect, if none of the foregoing shall be outstanding or in effect at such time).

(d) To the fullest extent permitted by applicable law, the parties hereto shall not assert, or permit any of their respective Affiliates or Related Parties to assert, and the parties hereto hereby waives, any claim against the other parties hereto and each Related Party of any of the foregoing (each such Person being called a “Related Person”) (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet) other than for direct, actual damages resulting from the gross negligence, bad faith, material breach or willful misconduct of such Related Person as determined by a final, non-appealable judgment of a court of competent jurisdiction, or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) To the fullest extent permitted by applicable law, the Administrative Agent, the Arrangers and the Lenders shall not assert, or permit any of their respective Affiliates or Related Parties to assert, and each of them hereby waives, any claim against the Borrower, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof; provided, that nothing in this paragraph (e) shall limit the Borrower’s indemnity and reimbursement obligations set forth in this Section or separately agreed; provided that, nothing in this Section 9.03(e) shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(f) In addition, the indemnity set forth herein shall not, as to any Indemnitee, be available with respect to any settlements effected without the Borrower’s prior written consent (which consent shall not be unreasonably withheld or delayed), but if settled with the Borrower’s consent, the Borrower agrees to indemnify and hold harmless each Indemnitee in the manner set forth above (for the avoidance of doubt, it being understood that if there is a final judgment in any such proceeding, the indemnity set forth above shall apply (subject to the exceptions thereto set forth above)). Each Indemnitee shall take all reasonable steps to mitigate any losses, claims, damages, liabilities and expenses in connection with the matters covered in this Section 9.03.

(g) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) other than as expressly provided in Section 6.04(a)(B), the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, each Issuing Bank and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender or Issuing Bank may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, sub-agents of the Administrative Agent, Participants (to the extent provided in paragraph (c) of this Section), the Arrangers and, to the extent expressly contemplated hereby, the Related Parties of the foregoing) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, delayed or conditioned) of:

(A) the Borrower; provided that no consent of the Borrower shall be required (x) for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or (y) if an Event of Default under clause (a), (b), (h) or (i) of Section 7.01 shall have occurred and be continuing; provided further, in each case, that the Borrower shall be deemed to have consented to any assignment unless it shall object thereto by written notice to the Administrative Agent within 10 Business Days after having received notice thereof;

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) each Issuing Bank and the Swingline Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Revolving Commitment or Loans, the amount of the Revolving Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consents; provided that (1) no such consent of the Borrower shall be required if an Event of Default under clause (a), (b), (h) or (i) of Section 7.01 shall have occurred and be continuing and (2) the Borrower shall be deemed to have consented to any assignment unless it shall object thereto by written notice to the Administrative Agent within 10 Business Days after having received notice thereof;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption (or an agreement incorporating by reference a form of Assignment and Assumption posted on the Platform), together with a processing and recordation fee of \$3,500, provided that only one such processing and recordation fee shall be payable in the event of simultaneous assignments from any Lender or its Approved Funds to one or more other Approved Funds of such Lender; and

(D) the assignee, if it shall not already be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain MNPI) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable law, including United States (Federal or State) and foreign securities laws.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption (or an agreement

incorporating by reference a form of Assignment and Assumption posted on the Platform) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.14 and 9.03); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 9.04(c).

(iv) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption with respect to the Revolving Facility delivered to it and records of the names and addresses of the Lenders, and the Revolving Commitments of, and principal amount (and related interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding any notice to the contrary. The Register shall be available for inspection by the Borrower, the Administrative Agent and, as to entries pertaining to it, any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon receipt by the Administrative Agent of an Assignment and Assumption (or an agreement incorporating by reference a form of Assignment and Assumption posted on the Platform) executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder) and the processing and recordation fee referred to in this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that the Administrative Agent shall not be required to accept such Assignment and Assumption or so record the information contained therein if the Administrative Agent reasonably believes that such Assignment and Assumption lacks any written consent required by this Section or is otherwise not in proper form, it being acknowledged that the Administrative Agent shall have no duty or obligation (and shall incur no liability) with respect to obtaining (or confirming the receipt) of any such written consent or with respect to the form of (or any defect in) such Assignment and Assumption, any such duty and obligation being solely with the assigning Lender and the assignee. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph, and following such recording, unless otherwise determined by the Administrative Agent (such determination to be made in the sole discretion of the Administrative Agent, which determination may be conditioned on the consent of the assigning Lender and the assignee), shall be effective notwithstanding any defect in the Assignment and Assumption relating thereto. Each assigning Lender and the assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the Administrative Agent that all written consents required by this Section with respect thereto (other than the consent of the Administrative Agent) have been obtained and that such Assignment and Assumption is otherwise duly completed and in proper form, and each assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the assigning Lender and the Administrative Agent that such assignee is an Eligible Assignee.

(c) (i) Any Lender may, without the consent of the Borrower, the Swingline Lender, any Issuing Bank or the Administrative Agent, sell participations to one or more Eligible Assignees ("Participants") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Commitments and Loans); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Swingline Lender, any Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and/or obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant or requires the approval of all the Lenders. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(f) (it being understood that the documentation required under Section 2.14(f) shall be delivered solely to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (x) agrees to be subject to the provisions of Sections 2.15 and 2.16 as if it were an assignee under paragraph (b) of this Section and (y) shall not be entitled to receive any greater payment under Section 2.12 or 2.14 with respect to any participation than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.16(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant shall be subject to Section 2.15(c) as though it were a Lender.

(ii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain records of the name and address of each Participant and the principal amounts (and related interest) of each Participant's interest in the Loans or other obligations under this Agreement or any other Loan Document (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Revolving Commitments, Loans or other rights and/or obligations under this Agreement or any other Loan Document) to any Person except to the extent that such disclosure is necessary to establish that any such Revolving Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement, notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as the Administrative Agent) shall not have any responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or grant to secure obligations to a Federal Reserve Bank or other central bank, and this Section shall not apply to any such pledge or grant of a security interest; provided that no such pledge or grant of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Disqualified Institutions.

(i) Notwithstanding anything to the contrary herein, no assignment or participation shall be made to any Person that was a Disqualified Institution as of the date (the "Trade Date") on which the assigning Lender entered into a binding agreement to sell and assign or grant a participation in all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrower has consented to such assignment or participation in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or participation). For the avoidance of doubt, with respect to any assignee or participant that becomes a Disqualified Institution after the applicable Trade Date (including as a result of the delivery of a written supplement to the list of "Disqualified Institutions" referred to in the definition of "Disqualified Institution"), (x) such assignee or participant shall not retroactively be disqualified from becoming a Lender or participant and (y) the execution by the Borrower of an Assignment and Acceptance with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Institution. Any assignment or participation in violation of this clause (e)(i) shall not be void, but the other provisions of this clause (e) shall apply.

(ii) If any assignment or participation is made to any Disqualified Institution without the Borrower's prior written consent in violation of clause (i) above, or if any Person becomes a Disqualified Institution after the applicable Trade Date, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 9.04), all of its interest, rights and obligations under this Agreement to one or more Persons (other than a Disqualified Institution) at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions (A) will not have the right to (x) receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders (or any of them) and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders, (B) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (C) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to the Bankruptcy Code or any Debtor Relief Laws (a "Bankruptcy Plan"), each Disqualified Institution party hereto hereby agrees (1) not to vote on such Bankruptcy Plan, (2) if such Disqualified Institution does vote on such Bankruptcy Plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Bankruptcy Plan in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorize the Administrative Agent to (A) post the list of Disqualified Institutions provided by the

Borrower and any updates thereto from time to time (collectively, the “DQ List”) on an Approved Electronic Platform, including that portion of such Approved Electronic Platform that is designated for “public side” Lenders and/or (B) provide the DQ List to each Lender or potential Lender requesting the same.

(v) The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any other Lender or participant or prospective Lender or participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, by any other Person to any Disqualified Institution.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower and the Guarantors in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto or thereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and the issuance of Letters of Credit by each Issuing Bank, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any of the Administrative Agent, the Arrangers, the Syndication Agents, the Documentation Agents, the Lenders, the Swingline Lender, the Issuing Banks or any Related Party of any of the foregoing may have had notice or knowledge of any Default or incorrect representation or warranty at the time any Loan Document was executed and delivered or any credit was extended hereunder, and shall continue in full force and effect as long as the principal of or any interest accrued on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid (other than contingent obligations for indemnification, expense reimbursement or yield protection as to which no claim has been made) and so long as any of the Revolving Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14, 2.15(d), 2.15(e), 9.03, 9.04, 9.17, 9.20, 9.21 and Article VIII shall survive and remain in full force and effect regardless of the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the consummation of the transactions contemplated hereby, the repayment of the Loans and the expiration or termination of the Revolving Commitments, the expiration of any Letter of Credit or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness; Electronic Execution.

(a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an “Ancillary Document”) that is an Electronic

Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution", "signed", "signature", "delivery", and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; *provided* that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; *provided, further*, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, each Borrower and each Loan Party hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature, except to the extent that such claim or Liabilities are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of the Administrative Agent and/or such Lender.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or

special, time or demand, provisional or final, in whatever currency) or other amounts at any time held and other obligations (in whatever currency) at any time owing by such Lender or by such Affiliate to or for the credit or the account of the Borrower against any of and all the obligations then due of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations of the Borrower are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.17 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and each Affiliate of any Lender under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or Affiliate may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give notice shall not affect the validity of such setoff and application.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the jurisdiction of the United States District Court of the Southern District of New York sitting in New York County (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in New York County), and any appellate court from any thereof, in any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and the Borrower hereby irrevocably and unconditionally agrees that all claims arising out of or relating to this Agreement or any other Loan Document brought by it or any of its Affiliates shall be brought, and shall be heard and determined, exclusively in such United States District Court or, if that court does not have subject matter jurisdiction, such Supreme Court. Each party hereto agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any suit, action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any of its properties in the courts of any jurisdiction.

(c) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(e) [reserved].

(f) In the event the Borrower or any of their respective assets has or hereafter acquires, in any jurisdiction in which judicial proceedings may at any time be commenced with respect to this Agreement or any other Loan Document, any immunity from jurisdiction, legal proceedings, attachment (whether before or after judgment), execution, judgment or setoff, the Borrower hereby irrevocably agrees not to claim and hereby irrevocably and unconditionally waives such immunity.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Arrangers, the Issuing Banks, the Swingline Lender and the Lenders agrees to maintain the confidentiality of, and not disclose, the Information (as defined below), except that Information may be disclosed (a) to its Related Parties, including accountants, legal counsel and other agents and advisors, it being understood that the Persons to whom such disclosure is made either are informed of the confidential nature of such Information and instructed to keep such Information confidential or are subject to customary confidentiality obligations of employment or professional practice, provided that the disclosing Person shall be responsible for such Person's compliance with keeping the Information confidential in accordance with this Section, (b) to the extent required or requested by any Governmental Authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority) (in which case such Person agrees to inform the Borrower promptly thereof prior to such disclosure to the extent practicable and not prohibited by applicable law (except with respect to any audit or examination conducted by bank accountants or any Governmental Authority exercising examination or regulatory authority)), (c) to the extent required by applicable law or by any subpoena or similar legal process (in which case such Person agrees to inform the Borrower promptly thereof prior to such disclosure to the extent practicable and not prohibited by applicable law), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document, the enforcement of rights hereunder or thereunder or any Transactions, (f) subject to an agreement containing confidentiality undertakings substantially similar to those of this Section (which shall be deemed to include those required to be made in order to obtain access to information posted on IntraLinks, SyndTrak or any other Platform), to (i) any assignee of or Participant in (or its Related Parties), or any prospective assignee of or Participant in (or its Related Parties), any of its rights or obligations under this Agreement, (ii) any actual or prospective counterparty (or its Related Parties) to any swap or derivative transaction relating to the Borrower or any Subsidiary and their respective obligations or (iii) any actual or prospective credit insurance brokers or providers for any credit insurance products relating to the Borrower's obligations under this Agreement or the other Loan Documents, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities

provided for herein or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the credit facilities provided for herein, (h) with the prior written consent of the Borrower, (i) to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration and management of this Agreement or any other Loan Documents; provided that such information is limited to the information about this Agreement and the other Loan Documents, (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or other obligations owed to the Borrower and their Subsidiaries, (ii) becomes available to the Administrative Agent, any Lender or any Affiliate of any of the foregoing on a nonconfidential basis from a source other than the Borrower or any Subsidiary that is not known by the Administrative Agent, Lender or Affiliate to be prohibited from disclosing such Information to such Person by a legal, contractual, or fiduciary obligation owed to the Borrower or any of its Subsidiaries or (iii) is independently developed by the Administrative Agent, any Lender or any Affiliate of the foregoing, or

(k) to any credit insurance provider relating to the Borrower and its Obligations. For purposes of this Section, “Information” means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or its businesses, other than any such information that is available to the Administrative Agent, any Lender or any Affiliate of any of the foregoing on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary. It is agreed that, notwithstanding the restrictions of any prior confidentiality agreement binding on the Administrative Agent or the Arrangers, such Persons may disclose Information as provided in this Section.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.14. USA PATRIOT Act Notice. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower and the Guarantors that pursuant to the requirements of the USA PATRIOT Act and the Beneficial Ownership Regulation it is required to obtain, verify and record information that identifies the Borrower and the Guarantors, which information includes the name and address of the Borrower and the Guarantors and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower and the Guarantors in accordance with the USA PATRIOT Act and the Beneficial Ownership Regulation.

SECTION 9.15. No Fiduciary Relationship. The Borrower, on behalf of itself and the Subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Borrower, the Subsidiaries and their Affiliates, on the one hand, and the Administrative Agent, the Lenders and their Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Administrative Agent, the Lenders or their Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications. The Administrative Agent, the Arrangers, the Lenders and their Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates,

and none of the Administrative Agent, the Arrangers, the Lenders or their Affiliates has any obligation to disclose any of such interests to the Borrower or any of its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it or any of its Affiliates may have against the Administrative Agent, the Arrangers, the Lenders or their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.16. Non-Public Information.

- (a) Each Lender acknowledges that all information, including requests for waivers and amendments, furnished by the Borrower or the Administrative Agent pursuant to or in connection with, or in the course of administering, this Agreement will be syndicate-level information, which may contain MNPI. Each Lender represents to the Borrower and the Administrative Agent that (i) it has developed compliance procedures regarding the use of MNPI and that it will handle MNPI in accordance with such procedures and applicable law, including Federal, state and foreign securities laws, and (ii) it has identified in its Administrative Questionnaire a credit contact who may receive information that may contain MNPI in accordance with its compliance procedures and applicable law, including United States (Federal or state) and foreign securities laws.
- (b) The Borrower and each Lender acknowledges that, if information furnished by or on behalf of the Borrower pursuant to or in connection with this Agreement is being distributed by the Administrative Agent through the Platform, (i) the Administrative Agent may post any information that the Borrower has indicated as containing MNPI solely on that portion of the Platform designated for Private Side Lender Representatives and (ii) if the Borrower has not indicated whether any information furnished by it pursuant to or in connection with this Agreement contains MNPI, the Administrative Agent reserves the right to post such information solely on that portion of the Platform designated for Private Side Lender Representatives. The Borrower agrees to clearly designate all information provided to the Administrative Agent by or on behalf of the Borrower that is suitable to be made available to Public Side Lender Representatives, and the Administrative Agent shall be entitled to rely on any such designation by the Borrower without liability or responsibility for the independent verification thereof.
- (c) If the Borrower does not file this Agreement with the SEC, then the Borrower hereby authorizes the Administrative Agent to distribute the execution version of this Agreement and the Loan Documents to all Lenders, including their Public Side Lender Representatives. The Borrower acknowledges its understanding that Lenders, including their Public Side Lender Representatives, may be trading in securities of the Borrower and its Affiliates while in possession of the Loan Documents.
- (d) The Borrower represents and warrants that none of the information contained in the Loan Documents constitutes or contains MNPI. To the extent that any of the executed Loan Documents at any time constitutes MNPI, the Borrower agrees that it will promptly make such information publicly available by press release or public filing with the SEC.

SECTION 9.17. Erroneous Payments.

- (a) If the Administrative Agent (x) notifies a Lender, Issuing Bank, or any Person who has received funds on behalf of a Lender or Issuing Bank (any such Lender, Issuing Bank or other recipient (and each of their respective successors and assigns), a “Payment Recipient”) that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received

by, such Payment Recipient (whether or not known to such Lender, Issuing Bank or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “Erroneous Payment”) and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 9.17 and held in trust for the benefit of the Administrative Agent, and such Lender or Issuing Bank shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

a. Without limiting immediately preceding clause (a), each Lender, Issuing Bank or any Person who has received funds on behalf of a Lender or Issuing Bank (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, Issuing Bank or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Issuing Bank shall use commercially reasonable efforts to (and shall use commercially reasonable efforts to cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.17(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 9.17(b) shall not have any effect on a Payment Recipient’s obligations pursuant to Section 9.17(a) or on whether or not an Erroneous Payment has been made.

b. Each Lender or Issuing Bank hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Issuing Bank under any Loan Document by the Administrative Agent to such Lender or Issuing Bank under any Loan Document with

respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under clause (a).

a. The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Issuing Bank, to the rights and interests of such Lender or Issuing Bank, as the case may be) under the Loan Documents with respect to such amount (the "Erroneous Payment Subrogation Rights") and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower; provided that this Section 9.17 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Borrower relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided, further, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from, or on behalf of (including through the exercise of remedies under any Loan Document), the Borrower for the purpose of a payment on the Obligations.

b. To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

c. Notwithstanding anything to the contrary herein or in any other Loan Document, none of the Borrower, any Guarantor or any of their Affiliates shall have any obligations or liabilities directly or indirectly arising out of this Section 9.17 in respect of any Erroneous Payment (provided that the foregoing shall in no way limit the obligation of the Borrower to repay the Obligations in accordance with the terms of this Agreement).

Each party's obligations, agreements and waivers under this Section 9.17 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

SECTION 9.18. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 9.19. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be governed by the laws of the State of New York or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section 9.19, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

i. a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

SECTION 9.20. Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, any Issuing Bank or any Lender, or the Administrative Agent, any Issuing Bank or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, such Issuing Bank or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and each Issuing Bank severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

SECTION 9.21. Judgment Currency.

(a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in dollars into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction dollars could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each party hereto in respect of any sum due to any other party hereto or any holder of the obligations owing hereunder (the “Applicable Creditor”) shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than dollars, be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase dollars with the Judgment Currency; if the amount of dollars so purchased is less than the sum originally due to the Applicable Creditor in dollars, such party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such deficiency. The obligations of the parties contained in this Section shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

ARTICLE X

Guarantees

SECTION 10.01. The Guarantees. To induce the Lenders to provide the Loans and Letters of Credit described herein and in consideration of benefits expected to accrue to the Borrower by reason of the Revolving Commitments and the Loans and Letters of Credit and for other good and valuable

consideration, receipt of which is hereby acknowledged, each Guarantor party hereto (including any Subsidiary executing an Additional Guarantor Supplement in substantially the form attached hereto as Exhibit F (an “Additional Guarantor Supplement”) or such other form reasonably acceptable to the Administrative Agent and the Borrower) hereby unconditionally and irrevocably guarantees jointly and severally to the Administrative Agent, for the ratable benefit of the Administrative Agent, the Lenders and the Issuing Banks, the due and punctual payment of all present and future Obligations of the Borrower, in each case as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, according to the terms hereof or any other applicable Loan Document (including all interest, costs, fees, and charges after the entry of an order for relief against the Borrower or such other obligor in a case under the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed claim against the Borrower or any such obligor in any such proceeding). In case of failure by the Borrower punctually to pay any Obligations guaranteed hereby, each Guarantor of the Borrower’s Obligations under this Section 10.01 hereby unconditionally agrees to make such payment or to cause such payment to be made punctually as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, and as if such payment were made by the Borrower.

SECTION 10.02. Guarantee Unconditional. The obligations of each Guarantor under this Article X shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver, or release in respect of any obligation of the Borrower or other obligor or of any other guarantor under this Agreement or any other Loan Document or by operation of law or otherwise;
- (b) any modification or amendment of or supplement to this Agreement or any other Loan Document;
- (c) any change in the corporate existence, structure, or ownership of, or any insolvency, bankruptcy, reorganization, or other similar proceeding affecting, the Borrower or other obligor, any other guarantor, or any of their respective assets, or any resulting release or discharge of any obligation of the Borrower or other obligor or of any other guarantor contained in any Loan Document;
- (d) the existence of any claim, set-off, or other rights which the Borrower or other obligor or any other guarantor may have at any time against the Administrative Agent, any Lender or any other Person, whether or not arising in connection therewith;
- (e) any failure to assert, or any assertion of, any claim or demand or any exercise of, or failure to exercise, any rights or remedies against the Borrower or other obligor, any other guarantor, or any other Person or property such Person;
- (f) any application of any sums by whomsoever paid or howsoever realized to any obligation of the Borrower or other obligor, regardless of what obligations of the Borrower or other obligor remain unpaid;
- (g) any invalidity or unenforceability relating to or against the Borrower or other obligor or any other guarantor for any reason of this Agreement or of any other Loan Document or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower or other obligor or any other guarantor of the principal of or interest on any Loan or any other amount payable under the Loan Documents; or

a. any other act or omission to act or delay of any kind by the Administrative Agent, any Lender or any other Person or any other circumstance whatsoever (other than payment or performance of the Obligations) that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the obligations of any Guarantor under this Article X.

Each Guaranty hereunder shall be a guaranty of payment and not of collection. SECTION 10.03. Discharge Only upon

Payment in Full; Reinstatement in Certain Circumstances

Circumstances. Except as set forth in Section 5.10 or the fifteenth paragraph of Article VIII, each Guarantor's obligations under this Article X shall remain in full force and effect until the Termination Date. If at any time any payment of the principal of or interest on any Loan or any other amount payable by the Borrower or other obligor or any Guarantor under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of the Borrower or other obligor or of any Guarantor, or otherwise, each Guarantor's obligations under this Article X with respect to such payment shall be reinstated at such time as though such payment had become due but had not been made at such time.

SECTION 10.04. Subrogation. Each Guarantor agrees it will not exercise any rights which it may acquire by way of subrogation by any payment made hereunder, or otherwise, until the Termination Date. If any amount shall be paid to a Guarantor on account of such subrogation rights at any time prior to the Termination Date, such amount shall be held in trust for the benefit of the Administrative Agent and the Lenders and shall forthwith be paid to the Administrative Agent for the benefit of the Lenders or be credited and applied upon the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

SECTION 10.05. Waivers. Each Guarantor irrevocably waives (to the extent permitted by applicable law) acceptance hereof, presentment, demand, protest, and any notice not provided for herein, as well as any requirement that at any time any action be taken by the Administrative Agent, any Lender or any other Person against the Borrower or other obligor, another guarantor, or any other Person.

SECTION 10.06. Limit on Liability. The obligations of each Guarantor under this Article X shall be limited to an aggregate amount equal to the largest amount that would not render such Guaranty subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of applicable law.

SECTION 10.07. Stay of Acceleration. If acceleration of the time for payment of any amount payable by the Borrower or other obligor under this Agreement or any other Loan Document is stayed upon the insolvency, bankruptcy or reorganization of the Borrower or such obligor, all such amounts otherwise subject to acceleration under the terms of this Agreement or the other Loan Documents shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Administrative Agent made at the request of the Required Lenders.

SECTION 10.08. Benefit to Guarantors. The Borrower and the Guarantors are engaged in related businesses and integrated to such an extent that the financial strength and flexibility of the Borrower has a direct impact on the success of each Guarantor. Each Guarantor will derive substantial direct and indirect benefit from the extensions of credit hereunder.

SECTION 10.09. Guarantor Covenants. Each Guarantor shall take such action as the Borrower is required by this Agreement to cause such Guarantor to take, and shall refrain from taking such action as the Borrower is required by this Agreement to prohibit such Guarantor from taking.

SECTION 10.10. Continuing Guarantee. Each Guarantor agrees that its guarantee hereunder is continuing in nature and applies to all of its Obligations, whether currently existing or hereafter incurred.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

AIRBNB, INC., as the Borrower

By: /s/ David Stephenson
Name: David Stephenson
Title: Chief Financial Officer

HOTEL TONIGHT, LLC, as a Guarantor

By: /s/ Garth Bossow
Name: Garth Bossow
Title: Secretary of Airbnb, Inc., the sole member of Hotel Tonight, LLC

AIRBNB GLOBAL HOLDINGS, INC., as a Guarantor

By: /s/ Garth Bossow
Name: Garth Bossow
Title: Secretary

[Signature Page to Credit Agreement]

AIRBNB PAYMENTS HOLDING LLC, as a Guarantor

By: /s/ Garth Bossow

Name: Garth Bossow

Title: Secretary of Airbnb, Inc., the sole member of Airbnb Payments Holding LLC

AIRBNB PAYMENTS, INC., as a Guarantor

By: /s/ Bart Rubin

Name: Bart Rubin

Title: General Counsel

[Signature Page to Credit Agreement]

MORGAN STANLEY SENIOR FUNDING, INC., as the Administrative Agent

By: /s/ Lisa Hanson
Name: Lisa Hanson
Title: Vice President

MORGAN STANLEY SENIOR FUNDING, INC., as
an Issuing Bank and a Lender

By: /s/ Alysha Salinger
Name: Alysha Salinger
Title: Vice President

[Airbnb – Signature Page to Credit Agreement]

BARCLAYS BANK PLC, as a Lender and an Issuing Bank

By: /s/ Sean Duggan

Name: Sean Duggan

Title: Director

[Airbnb –Credit Agreement]

Bank of America, N.A., as a Lender and an Issuing Bank
By: /s/ Injah Song
Name: Injah Song
Title: Director

[Signature Page to Credit Agreement]

BANK OF THE WEST, as a Lender

By: /s/ Scott Bruni

Name: Scott Bruni

Title: Director

[Signature Page to Credit Agreement]

CITIBANK, N.A., as a Lender and an Issuing Bank

By: /s/ Matthew Sutton

Name: Matthew Sutton

Title: Vice President

[Signature Page to Credit Agreement]

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Rebecca Kratz

Name: Rebecca Kratz

Title: Authorized Signatory

[Signature Page to Credit Agreement]

GOLDMAN SACHS LENDING PARTNERS LLC, as a Lender and
an Issuing Bank
By: /s/ Rebecca Kratz
Name: Rebecca Kratz
Title: Authorized Signatory

[Signature Page to Credit Agreement]

HSBC BANK USA, National Association, as a Lender and an Issuing
Bank
By: /s/ Ilene Hernandez
Name: Ilene Hernandez
Title: Vice President

[Signature Page to Credit Agreement]

JPMorgan Chase Bank, N.A., as a Lender and an Issuing Bank

By: /s/ Inderjeet Aneja

Name: Inderjeet Aneja

Title: Executive Director

[Signature Page to Credit Agreement]

Mizuho Bank, Ltd., as a Lender and Issuing Bank
By: /s/ Tracy Rahn
Name: Tracy Rahn
Title: Executive Director

[Signature Page to Credit Agreement]

Royal Bank of Canada, as a Lender

By: /s/ Nicholas Heslip

Name: Nicholas Heslip

Title: Authorized Signatory

[Signature Page to Credit Agreement]

Santander Bank, N.A., as a Lender and an Issuing Bank
By: /s/ Jennifer Baydian
Name: Jennifer Baydian
Title: Senior Vice President

[Signature Page to Credit Agreement]

STANDARD CHARTERED BANK, as a Lender and an Issuing Bank

By: /s/ Kristopher Tracy

Name: Kristopher Tracy

Title: Director, Financing Solutions

[Signature Page to Credit Agreement]

AMENDMENT NO. 1

This AMENDMENT NO. 1 (this “Agreement”), dated as of February 16, 2023, is made by and among Airbnb, Inc., a Delaware corporation (the “Borrower”) and Morgan Stanley Senior Funding, Inc., as Administrative Agent (the “Administrative Agent”).

WHEREAS, the Borrower and the Administrative Agent are party to that certain Credit Agreement, dated as of October 31, 2022 (as amended, restated, amended and restated, modified and/or supplemented from time to time, the “Credit Agreement”; capitalized terms not otherwise defined herein shall have the respective meaning assigned to such terms in the Credit Agreement), by and among the Borrower, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent;

WHEREAS, Section 9.02(c)(i)(A) of the Credit Agreement provides that the Administrative Agent and the Borrower shall be permitted to amend the Credit Agreement to cure any ambiguity, mistake, omission, defect or inconsistency so long as the Lenders shall have received at least five Business Days’ prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment;

WHEREAS, the definition of “Consolidated Interest Expense” in the Credit Agreement permits the calculation thereof to result in a negative value;

WHEREAS, the Administrative Agent and the Borrower desire to amend the Credit Agreement in accordance with Section 9.02(c)(i)(A) as further described herein in order to address the aforementioned defect; and

WHEREAS, in accordance with Section 9.02(c)(i)(A) of the Credit Agreement, the form of this Agreement has been made available to the Lenders for at least five Business Days and the Administrative Agent has not received a written notice from the Required Lenders stating that the Required Lenders object to this Agreement;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

SECTION 1. Amendment. Subject to the terms and conditions to effectiveness set forth in Section 2 hereof, the definition of “Consolidated Interest Expense” is hereby amended to add the following as the last sentence thereof:

“Notwithstanding anything to the contrary herein, if Consolidated Interest Expense as so determined would be less than \$1.00, then it shall be deemed to be \$1.00 for purposes of this Agreement.”

SECTION 2. Effectiveness. Section 1 of this Agreement shall become effective as of on the date that the Administrative Agent shall have received this Agreement, duly executed by the Borrower and the Administrative Agent.

SECTION 3. Reference to and Effect on the Credit Agreement.

(a) On and after the effectiveness of this Agreement, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by, and after giving effect to, this Agreement. This Agreement is a “Loan Document” for purposes of the Credit Agreement and the other Loan Documents.

(b) Each Loan Document, after giving effect to this Agreement, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed, except that, on and after the effectiveness of this Agreement, each reference in each of the Loan Documents to the “Credit

Agreement,” “thereunder,” “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended by and after giving effect to, this Agreement. Nothing in this Agreement can or may be construed as a novation of the Credit Agreement or any other Loan Document. This Agreement shall apply and be effective only with respect to the provisions of the Credit Agreement specifically referred to herein. The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents.

SECTION 4. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by facsimile transmission or electronic .pdf transmission shall be effective as delivery of a manually executed counterpart of this Agreement. For purposes hereof, the words “execution,” “execute,” “executed,” “signed,” “signature” and words of like import shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formulations on electronic platforms, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transaction Act.

SECTION 5. WAIVER OF JURY TRIAL; GOVERNING LAW; JURISDICTION, ETC. The provisions set forth in Sections 9.09 and 9.10 of the Credit Agreement are hereby incorporated herein *mutatis mutandis* with all references to “this Agreement” therein being deemed references to this Agreement.

[SIGNATURE PAGES FOLLOW]

[Airbnb – Amendment No. 1]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date and year first written above.

AIRBNB, INC.,
as the Borrower

By: /s/ Brian Moore
Name: Brian Moore
Title: Treasurer

[Signature Page to Airbnb – Amendment No. 1]

MORGAN STANLEY SENIOR FUNDING, INC.,
as Administrative Agent

By: /s/ Brian Sanderson
Name: Brian Sanderson
Title: Authorized Signatory

Subsidiaries of the Registrant

Entity

Airbnb Ireland UC
Airbnb Payments Luxembourg S.A.
Airbnb Payments UK Ltd.
Airbnb Payments, Inc.
Airbnb Treasury Services LLC
Hotel Tonight, LLC

Jurisdiction of Incorporation

Ireland
Luxembourg
United Kingdom
Delaware
Delaware
Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 333-251251, 333-251252, and 333-251253) of Airbnb, Inc. of our report dated February 17, 2023 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Francisco, California

February 17, 2023

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Chesky, certify that:

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

By: /s/ Brian Chesky

Brian Chesky
Chief Executive Officer
(Principal Executive Officer)

Date: February 17, 2023

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David E. Stephenson, certify that:

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

By: /s/ David E. Stephenson

David E. Stephenson
Chief Financial Officer
(*Principal Financial Officer*)

Date: February 17, 2023

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian Chesky, as Chief Executive Officer of Airbnb, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Airbnb, Inc. for the year ended December 31, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Airbnb, Inc.

By: /s/ Brian Chesky

Brian Chesky
Chief Executive Officer
(Principal Executive Officer)

Date: February 17, 2023

I, David E. Stephenson, as Chief Financial Officer of Airbnb, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Airbnb, Inc. for the year ended December 31, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Airbnb, Inc.

By: /s/ David E. Stephenson

David E. Stephenson
Chief Financial Officer
(Principal Financial Officer)

Date: February 17, 2023